

**SOUTHERN GOVERNORS' ASSOCIATION**

2008 ANNUAL MEETING

THE GREENBRIER

WHITE SULPHUR SPRINGS, WEST VIRGINIA

**ISSUES IMPACTING WORKFORCE DEVELOPMENT**

SATURDAY, AUGUST 9TH, 2008

Transcripts recorded by:  
Catherine A. Altizer  
Court Reporter and Notary Public

## ROUNDTABLE PARTICIPANTS

### **Keynote Speaker**

Elaine Chao, Secretary, U. S. Department of Labor, Washington, DC

### **Participating Governors**

Joe Manchin III, 2008 SGA Chairman and Governor of West Virginia

Timothy M. Kaine, 2009 SGA Chairman and Governor of Virginia

Haley Barbour, 2007 SGA Chairman and Governor of Mississippi

Matt Blunt, Governor of Missouri

John P. DeJongh, Jr., Governor of the U. S Virgin Islands

Steven L. Beshear, Governor of Kentucky

Charlie Crist, Governor of Florida

### **Representing SGA Member Governors:**

#### Alabama

Bradley Byrne, Chancellor, Alabama Community College System

#### Florida

Monesia Brown, Director, Florida Agency for Workforce Innovation

#### Georgia

Debra Lyons, Director, Governor's Office of Workforce Development

#### Kentucky

Helen Mountjoy, Secretary, Kentucky Education Cabinet

#### Louisiana

Camille Pampell Conaway, Policy Advisor, Office of Governor Bobby Jindal

#### Mississippi

Tommy Dale Farve, Executive Director, Mississippi Department of Employment Security

#### Missouri

Roderick Nunn, Director of Education and Workforce Innovation, Office of Governor Matt Blunt

Oklahoma

Norma Nobel, Deputy Director Secretary of Commerce for Workforce Development Oklahoma  
Department of Commerce

South Carolina

Peggy Torrey, Deputy Secretary for Workforce, South Carolina Department of Commerce

Tennessee

Matthew Kisber, Commissioner, Tennessee Department of  
Economic and Economic Community Development

U. S. Virgin Islands

Paul Arnold, Economic Development Coordinator, U.S. Virgin Islands Economic Development  
Authority

Virginia

Danny LeBlanc, Senior Workforce Advisor, Office of Governor Timothy M. Kaine

West Virginia

Kelly Goes, Secretary, West Virginia Department of Commerce  
Ronald Radcliff, Executive Director Workforce West Virginia

**SGA Corporate Affiliate Program Participants**

APPLACHIAN POWER

Dana Waldo, President

COMCAST

William Strahan, Vice President of Compensation and Benefits

NORTHROP GRUMMAN

Mike Petters, President Shipbuilding Sector

GOVERNOR MANCHIN: Let me first of all say thank you so much for attending the SGA's summer conference and we are happy to have you here, all the Governors who have attended. I am so proud and pleased to have them here and their staffs. All of the sponsors that make this possible, we very much appreciate you and your commitment and dedication.

I am Joe Manchin, the Governor of the great state of West Virginia. I am so proud to be able to be sponsoring this. My staff, along with the SGA, with all of us working together to hopefully make your stay enjoyable and unforgettable. Henry Ford said, "Coming together is a beginning, keeping together is progress and working together is success." And that's exactly what we intend to do and what we have been doing. Bringing people together to find answers and solutions so we can continue to move our states respectively and this great nation of ours forward. So let me say again, I officially welcome you to the conference. It's the 74th annual meeting of the SGA.

If you would please stand now for the Posting of the Colors and the National Anthem.

(WHEREUPON, the ceremonial presentation of colors was completed.)

(WHEREUPON, the National Anthem was performed.)

GOVERNOR MANCHIN: Let me just say thank you so much for that and to Randall Reid-Smith, our Commissioner of Culture and History, for the singing of the National Anthem. Please be seated. Again, let me say that on behalf of all of our Governors that are here in attendance and all those who wished that they were here and had other commitments and duties. Let me say, going around here that we have our incoming Chair, Tim Kaine from our sister state of Virginia. Tim, it's good to have you here. We have Matt Blunt from Missouri. Governor deJongh from the Virgin Islands. We have Governor Barbour from Mississippi. We have Governor Beshear from Kentucky. And we will have more coming in in the next few days.

Again, welcome to the wonderful Greenbrier. I tell people when they look around, I say, "Yes, we do live like this every day and we enjoy this type of lifestyle." But it is a special place. It's really a jewel for the State of West Virginia and good for the entire country. It's a one of a kind. It restores and kind of brings you back and mellows you out a little bit. It makes you stop and smell the roses and enjoy what is really important in life. The staff is willing to help in any way possible. There are so many things to see. Tonight we have a wonderful venue for you on Kate's Mountain. It's very casual. I think we have entertainment, the Davidson Brothers. I think you are going to enjoy them. They are a great West Virginia band and then it is very casual. Bring your family. I am sure all of your staff and everyone will agree, it's going to be a wonderful affair. I think the reception starts at 6:30 until 7:30. Dinner starts at 7:30 and I just want you to enjoy it. There are a lot of things to do recreation wise. If you haven't found that, stop and talk to the concierge. Any of the staff people here can help you tremendously. My wife would like to say one thing very quickly. She wants to make sure that all of the first wives do not have a chance at missing something. So Gayle, if you could...

MRS. MANCHIN: I just wanted to welcome all the first spouses here also to this meeting and to say that we have a full agenda of wonderful things going on. I just wanted to remind all the spouses that are in the room that at 9:30, right across the hall, one of the excellent chefs from here, the Greenbrier, will be doing a cooking demonstration, which we do get to eat. So anyone that would like to join us at 9:30 across the hall, we would love to have you. Thank you.

GOVERNOR MANCHIN: The things that we have been working together, the Southern Governors' Association, we represent states that are energy producers, as you know. And with that we go through the practical approaches to solving the energy crisis that we have in this nation, the dependency that this country has on foreign oil, and we think working together we can find those solutions. And there is going to be a mix. I have been very -- If you've seen the Charleston Gazette this morning, I have been very adamant about renewable. I think that every state should have a renewable portfolio. I think that every state should do an audit, if you will, an inventory. My little state of West Virginia, as rich and blessed as we are with natural resources, the oil that we use, we depend on it by many terms from foreign oil to run this little state. That's how dependant we all are. And that means that we are looking for different ways. I did not realize that until we did an inventory. Once that inventory was taken, it had really made me realize where we are in this nation and where we are in this state.

We are determined to be independent. We think it can be done by 2030 if we all work together. We have to find a common denominator that would work. And I think that the security of this nation would not be a better common denominator if all of us would work for independence when securing this nation. So with that, we have a lot of work ahead of us. We are glad to have all of our energy friends here, the Southern States Energy Board, and all of the people who have really been working on this and bringing it to national attention. As we work, the goals for this conference are that all of us should walk away with at least one new, good, policy idea. I think that is our goal. Just one. I tell people that they get bogged down trying to solve the world's problems. If we could find one great policy, one new idea that will help our state and our region, I think we can share that with the rest of the country and I think we will have attained a great deal of success here. Our minds and resources will be put together in solving these problems. We look forward to seeing the results as we work with you over this weekend. And at this time, before I introduce our speaker, I would like to go down to our Governors and if they have a word to say before we get started, real quickly, and then we will move on with our program and our guest speaker, our dear friend. So at this time, I would like to turn it over to our incoming chair, Tim Kaine from Virginia.

GOVERNOR KAINE: Well, thank you Governor Manchin and good morning to all of you. This is going to be a great weekend. Today focusing on workforce, tomorrow on innovation, and then on Monday, we will have a town hall meeting on Southern Energy and Climate Strategy, something I am very excited about and also the Governors want to make sure that we are represented in the debate at the federal level. I thank Joe and Gayle for their great hospitality. This is a beautiful place. These meetings are important, coming away from the tearing and the urging back in our own states but getting to have a meaningful dialogue about policy and ideas. All Governors are great plagiarists. We love to hear good ideas and run back to our own states and try to implement them. So I am looking forward to hearing a bunch of good ideas while I am here. Thanks and have a wonderful weekend.

GOVERNOR MANCHIN: Thank you, Tim. Matt.

GOVERNOR BLUNT: Thanks Governor. I certainly would want to thank you. You have great hospitality. We seem to be looking forward to all of the discussions over the weekend, energy and innovation. I am particularly excited about this discussion for the workforce development. It's something we spend a good deal of time on in Missouri trying to get it streamlined and ensure we have a very coherent, cohesive approach. So we are looking forward to the discussion.

GOVERNOR MANCHIN: Governor deJongh.

GOVERNOR deJONGH: Good morning. I would like to thank you for hosting us this weekend. I look forward to it. I have always regarded the best form of flattery as plagiarism. So coming away today with ideas from my fellow Governors is something that I am really looking forward to. In an economy that is driven by tourism and is eaten up by energy cost, the ability to see what we can do through the efforts that I think we will gain here today. Workforce development, the policies of the Southern Energy Board, I think will be tremendous in terms of getting us away from what is really eating away at our island-based economy. So I look forward to the discussion, and again, thank you very much.

GOVERNOR MANCHIN: Thank you. Haley.

GOVERNOR BARBOUR: Governor, I thank you and Gayle for your alls wonderful hospitality. I enjoyed last night. We thought it was pretty cool. The low was 49. At home, the low was 94. But we do appreciate the hospitality. It's a wonderful place. I am very pleased about hearing Tim talking about energy. I am sorry that I have to go back, but we know how important that is as Southern Governors, perhaps we have a different perspective but we are generally producing states. But as for today, I thank you for making the workforce development and job training a heavy focus. In my state at least, too often when people talk education, they think about pre-K through 12, universities. In addition to being in our state, it is to continuously help our working people open up their skills so they can get better paying jobs and we have finally started focusing on that. Tommye Dale Favre, who runs the Department of Employment Security, under which workforce development in our state is based, is going to be here for all of this. We appreciate the chance to learn from each other.

GOVERNOR MANCHIN: Thank you, Governor. Governor Beshear.

GOVERNOR BESHEAR: Thank you, Joe. Let me and all the other Governors thank you and Gayle for hosting this in such a lovely place. I mean next week we would like to come back again, if you could arrange that. I also want to say that I am very grateful for Tim's emphasis this coming year on energy because we are in the middle of an energy crisis that is not going to end unless we decide to end it. We have the resources in this country that we need if we can just resolve ourselves to do it. In addition, as Haley said, the workforce development part of this is very important to us. It's a chicken and the egg type of thing. You want businesses to come and you recruit them, at the same time, they want to make sure you have a quality, educated workforce. So we are doing a lot of innovative things in Kentucky on workforce development that my Secretary, Kentucky Education Cabinet, Helen Mountjoy, is going to share with us today and we are excited about it. Thank you.

GOVERNOR MANCHIN: Thank you. Thank you Steve, I appreciate that. And we are all looking forward to this morning's round table discussion. Some of the most important work we do as Governors is trying to attract people to come to our state and provide good quality jobs but also retaining what we

already have. We know we must have a skilled workforce in order to compete in a global market in the 21st century. We are all working towards that and the roundtable discussion this morning, I think, is going to be able to show the best ideas and the best practices from around the country. Hopefully, observe it and pick the best practices that will fit for our areas.

Jim Clinton, Jim if you will raise your hand there, is with the Southern Growth Policies Board. He is on hand. Jim is going to help us facilitate our discussions and help us share ideas, prospective strategies for helping ensure that our workforce is highly skilled and qualified to meet with evolving needs. But first we are so delighted to have with us someone who probably all of us have worked with in our respective positions as Governors, somebody who has always been attentive. We have with us the Secretary of the US Department of Labor, Elaine Chao.

Secretary Chao's career has spanned the public, private, and non-profit sectors. During the last seven and a half years, she has been dedicated to promoting and protecting the health, safety, and retirement security benefits, of the nation's workforce. Secretary Chao has agreed to get our conversation started. Unfortunately, she is going to have to slip out because she has to catch a flight back to her demanding schedule, which is so crazy. She spent last evening with us, and this morning, sharing her perspectives, and her arguments between the private sector workforce needs and state and federal Workforce Development Programs. It is my pleasure and honor to introduce to you the Secretary for the United States Department of Labor: Secretary Elaine Chao.

SECRETARY CHAO: Thank you. I too want to thank Governor Manchin and the First Lady of West Virginia for being such gracious hosts and hostesses. We had a wonderful time last night talking about many issues of mutual concern. I also want to let you know that I actually drove here. So I got a chance to go through southwest Virginia and the motherland, as I have heard it referred to.

GOVERNOR MANCHIN: Tim keeps reminding me.

SECRETARY CHAO: And then going through West Virginia, it was a wonderful way to also understand some of the topography and the local economy of your state. I want to thank also the Governor for focusing on such an important issue that faces our country and that's workforce preparedness and development. I know that the Governors who are here today care deeply and passionately about preparing our workforce to be able to live and excel in the 21st century workforce. So I appreciate all of you who are here today. And then, of course, our colleagues and state Governors throughout the country and the south who are here talking about this very important issue as well. I don't know, you probably know. I am the first Secretary of Labor in the 21st century. And as such, I feel very, very strongly about the need to equip our workforce for the challenges of the 21st century. And one of my very top priorities has been to focus on how to equip our workforce to be prepared to compete in a globalized economy. Our workforce investment system is a wonderful system. We have pulled over 3,500 local - what is called a local one-stop center - dispersed throughout the whole country. And I think the Governors in this conference understand how important the one-stop career centers and workforce investment centers can be in terms of being a partner to your economic development strategy.

There are some states that still view the workforce investment system as primarily a distribution system for social services. It is that and so much more. It can be a very potent economic partner for the Governors in your economic development plans. And as I talk about that, I hope that I can share with

you some experiences that I have gleaned from over seven and a half years of working with the workforce investment system and challenge you to work with this system to realize your dreams of creating more hope and opportunity for the people within your state.

I have to say, I am not going to be in this job very much longer but I care passionately about this subject. I really hope that I can share some heartfelt thoughts about what we need to do to challenge the system to do even better so that it's even more responsive to the needs of our people as we go into the 21st century economy. To back up a little bit, let me just chat with you a little bit about our workforce on a national point of view and also how it's interacting with the rest of the world. First of all, our workforce is one of the most dynamic, creative, and productive in the world.

The International Labor Organization, which is part of the United Nations, last Labor Day said that the American workforce is the most productive workforce in the world, bar none. We are known for our flexibility, our creativity, and our great spirit of innovation. And our system of democracy, rule of law, transparency, and accountability are underpinnings, which support the development of a strong vibrant workplace and workforce. Our workforce numbers 153 million. It is one of the most diverse workforces in the world due to the many, many, innovative, progressive ideas that we have about how do we include people in the workforce. And right now, one of my main concerns is to include more Americans with disabilities into the workforce. Not only because it's the right thing to do, but because we need them.

We need to shore up our workforce with people of all different talents and we need to tap Americans with disabilities when we are facing shortages, yes, shortages in our workforce in the next 20 to 30 years. Our workforce is very dynamic, as I mentioned. The average 38 year-old American will have had 10 jobs already. Not because of lack of opportunity, but because of the tremendous opportunities that we are able to afford people in this country. Fifty million jobs change hands every single year. We are increasingly becoming a knowledge-based economy and our wage scales reflect that.

There have been lots of discussions about why there is wage disparity in our country. I happen to believe that we have wage disparity not so much because of the class discrimination, but rather because our economy is increasingly becoming a knowledge-based economy in which those workers with higher skills are being rewarded with higher salaries. And so we need to make sure that we are upgrading the skills of our people and enabling them to be able to get the skills training, and retraining, that they need, to be able to get higher paying jobs, better paying jobs, in this economy. Our competitive advantage is not in the low wage jobs. We will lose those jobs. And one of the reasons why the economy continues to grow and yet job growth does not is because we are seeing increased productivity. We are seeing new applications of technology in ways that we have never seen before.

For example, I got up this morning and I wanted to go and have a cup of coffee. I picked up the phone, I was going to call room service, and then I noticed a little coffee machine there. There are little nice packages, and I just ripped one open. I had to call the front desk to find out how to slide the little thing inside the coffee machine, but I did it. I had a coffee within five minutes. When you go into the supermarket, as a second example, when you go into the supermarket these days there are checkout counters that don't have people. They are now completely automated. They are just - you just put groceries item by item on a weighing station, and the machine will tell you how much you owe. I am not saying I approve of all of this. As the Secretary of Labor, you can imagine the how lack of labor

concerns me. On the other hand, this is reality. What we are seeing, again, is that our economy is increasingly focused on high-end skills jobs. That is where America's competitive advantage is. That's where we will continue to see new jobs develop.

One of the saddest things that I have to face as the Secretary of Labor is that I know people who want jobs, I visit them all the time, I visit the local one stop centers, and I see the unemployment numbers every single month. And yet, I am also faced with employers who come to me every single day practically and say we cannot find a skilled laborer that we need. There is a disconnect in the skills level of our workforce, which you as Governors have got to address.

Because we have workers looking for jobs but lacking the requisite skills, and we have employers who have jobs and yet they cannot find workers. So where are these sectors that America's competitive edge may lie and where are the sectors that need workers? One is health care. We need three million health care workers, at least, at the minimum, in the next ten years. We need a million nurses in the next ten years. We need health care workers and technicians of all kinds. We need phlebotomists. Do you know who those people are? They take your blood. We need those people. We need pharmacists. There is a tremendous shortage of pharmacists in our country. We also need workers in biosciences, health and life sciences, in aerospace, in bio-med, in computer software, information technology, environmental sciences, geospatial technology, nanotechnology.

These are industries and sectors of the future in which workers are not readily available with the skill sets that employers need. So seeing all of these sectors that are high growth, that have tremendous potential in the future, that pay good wages and yet are not able to find skilled workers. We launched a high growth job training initiative, which basically tries to harness the attention of this wonderful workforce developing system that we have nationwide and focus on the sectors that are growing, that have great potential in the future, that pay good wages, and that are lacking workers.

Another void that we found was that we found that community colleges were not being wrapped into our workforce development systems. I love community colleges. I love the workforce development system. They need to be working together. Community colleges are located in every single one of your states. They are nimble. They are agile. They are responsive to local working conditions. They know what employers need in your communities and they can get a new curriculum going within four to six weeks, about a semester or so. I don't want to put too much pressure on them. But they are wonderful. One of the things that we have tried to do is to integrate the community system, college system, into the workforce development system. I think we have done that. I think we need to do more. Again, because we cannot train people two straight years. The marketplace will not wait. Also the income needs of a person for two years cannot be totally supplemented by the government. So what we need to do is to have relevant job training courses, which are one stop career centers in conjunction with what the community colleges can provide. A person can get eight weeks to twelve weeks of job training. They can go out into the workplace and try something, get an apprenticeship program, internship program, and then come back if they need more. But this kind of shorter-term training is really what's required. And then thirdly, we want the Governors, you, to have more flexibility.

One of the most frustrating things that we see is that we get to give you tons of money, maybe not as much as you would like, but we give you money through your workforce cabinet or your job training cabinets, or whatever. And this is money that goes to all the workforce investment boards in your

communities. And this money is not very flexible. What we see, and we have to see because we give the waivers is that there can be two districts side by side, one has a surplus of money because obviously maybe economic conditions are a little better there and there is another district right next to it that for some reason economic conditions are not that great, there is more job training required.

There are more people unemployed, and yet you do not have the flexibility to be able to change and transfer those funds within your state. We would prefer that you as Governors have the flexibility because you know best what is happening within your community. You know best what the job conditions are and you know best how to disperse those funds and distribute them. So that is another issue that I hope you will take a look at.

And then also fourthly, lastly, we hope that employers will be wrapped more into the workforce development system. Not so much in your state but in other states. There are still communities that do not include employers at the table. I think that is a tremendous loss because employers know best what job skills they require and they should be at the community table working with all the other community leaders on deciding what training, what courses should be developed. And I'm sorry, one other thing, the third initiative that we also initiated is something called the WIRED workforce innovation regional economic development. Now I come from Kentucky. I am so proud that my Governor is here.

We used to think that we compete with Tennessee but that is no longer. We now have cross border conglomeration. What we see in terms of economic development are regional economic development investments. So more and more we need to have regions come together to build up their economic advantage, develop their competitive advantage and compete, not with the next state, but perhaps compete with some entity in the international community.

So workforce innovation in economic development is a way that we, the federal government, come into a regional economic development structure made up of multi-state or a multi-county concept within different states to challenge the stakeholders to come together. That includes the public, the private, the state, the local, and private non-profit entities to kind of dream about what they would like their economic development strategies to be and what they want their community to be and then to use the human talent in that regional economic development strategy to be the enticement, the lure, in which to attract more employment. Because employers tell us all the time that one of the key factors that is a determinate in what areas employers go is human talent. So your economic development strategy is very important in how it taps the human capital. And I would hope that you would have looked at the workforce development system, the one-stop career centers, as part and parcel of your economic development strategy. Because, here is a pipeline of people with assets and skills that you can tap, and if you tap them and equip them with the right training, you will make your economic development strategy that much more potent and that much more effective.

Then this is really the last part. I want to give you some statistics about how high school, how education is related to employment and to earnings. So I will just give you four factoids. High school dropouts make about \$519 per week on average and the unemployment rate of this group of workers is about 6.7 percent. Workers with a high school diploma average about \$725 weekly. This group has an unemployment rate of about 4.1 percent. Workers with some college or an Associate's Degree average about \$856 per week and this groups' unemployment rate is 3.5 percent. Workers with a Bachelor's Degree or higher average about \$1,400 per week and have an unemployment rate of about 2 percent.

Our national unemployment rate is 5.7 percent. So you can see that more education has a direct link between wages and unemployment. So I am really delighted to be here to talk about a really important issue with you.

As some of you may know, I am an immigrant to this country. I came at the age of eight not speaking a word of English. Education was my route to advancement and the opportunity to be able to experience the myriad of option in this country. We want to make sure that we continue to provide hope and opportunity. And I am not afraid of the globalized economy because I have absolute faith that the American workforce is the most productive, innovative, and entrepreneurial in the world. Our competitive advantage is our innovation, our entrepreneurialism, and our creativity. Our country rewards risk taking in entrepreneurialism. We need to make sure that our country continues to preserve and protect those values, which encourages risk taking entrepreneurialism, creativity, and innovation because those are our competitive advantages in a worldwide economy. Thank you so much.

GOVERNOR MANCHIN: Let me thank Madame Secretary so much for those wonderful remarks and this part of the program we will open up to the Governors to ask questions if they would like and we'll have some time for back and forth. Madame Secretary, I will jump start it by asking one question. I know you talked on about Governors and how you would like to see us have the flexibility. We would like to have the flexibility and it might be a misnomer but a lot of times we believe we are caught where a workforce might be a person's skill sets might be working for \$8.00 or \$9 an hour. And while they are still working and getting a paycheck, we would like to also start a training program to get them to \$12 or \$15 an hour. But I understand that that flexibility is not on all of us to get them training while they have a paycheck and if you would be able to talk with us about that.

SECRETARY CHAO: I'm afraid some of this would require legislative change, which you as Governors at your NGA meetings may be able to discuss. The Governor is absolutely correct. We cannot use the training funds that we have to help incumbent workers. This is becoming a larger and larger problem because we now see large corporations announce way in advance, two or three years in advance, that they are going to lay off X-number of people. Now during that period that these workers receive the news that they are going to be laid off to the time that they are actually laid off, they are still considered incumbent workers and we cannot help them. We can only step in when these workers are terminated. So for two or three years, time we could be helping these workers access new training, develop new skills, and transition to new jobs, is time lost. But this is a legislative fix which really, really needs to be addressed.

GOVERNOR MANCHIN: I just would like to say that as you know, the energy industry has met for a skilled workforce. And in coal mining and all the ancillary jobs that we provide in West Virginia, we are running out of workers, skilled workers. It's hard to reach down into the ranks of unemployment and retrain that person as quickly as you could someone who is already in the workforce, and train them up. That's how it has come to our attention and we are trying very hard. I have Secretary Goes with us, who is our state Secretary of Commerce, and automatically, head of our workforce investments. We will speak later at the round table. Right now this is for the Governors. Do any Governors have any questions for the Secretary? Governor Crist, it's good to have you here.

GOVERNOR CRIST: Thank you. I guess that's on. Thank you. It's hardly a question, Secretary, it's more gratitude. Recently, you had the opportunity to come to my hometown of St. Petersburg, Florida,

and you awarded a grant for clean energy that is something that is very important to all of us Governors and the people that we work for, the people of our state. I just wanted to thank you for taking the time that you did and your administration, your office has been great to Florida and we are very grateful for that. Keep them coming. We appreciate you very much Secretary, thank you.

GOVERNOR MANCHIN: Governor Barbour first and then Governor Kaine.

GOVERNOR BARBOUR: Madame Secretary, I am kind of with Governor Crist. After Katrina, the Department of Labor was spectacular to us with the National Emergency Grant Program that made an enormous difference for our state. And then in the wake of Katrina, one of the things that was very clear and it had been foreseen, but it became obvious that more skilled workers skilled in the metal trades because of our enormous shipbuilding business, because of our big energy business, refineries, pipelines and you gave us a WIRED grant that two of our community colleges will this fall be adding special programs in the metal trades. One for the energy and one for the shipbuilding industry and it has that flexibility that has given us the ability to look down the road and where the workers are going to be needed and where you had workforces that had gotten pretty old. Just that a lot of the people in the metal trades are in their 50s. Some of them are even my age. So it's a real big plus for us and we appreciate the people at Labor that work for you and their willingness to give us the opportunity to be part of the WIRED grant.

GOVERNOR MANCHIN: Governor Kaine.

GOVERNOR KAINE: Madame Secretary, I appreciate your mention of the situation of workers with disabilities. What we are finding in Virginia, and I'm sure others find this too, is that if an individual with a disability finds an accommodating workplace, they are often the most loyal and long-term employees because it has been rare for them to find a workplace and when they do they are grateful.

But one of the issues that we have some challenges with in Virginia and I'm sure other Governors have as well, is the kind of challenge of having those workers in the workplace and the kind of challenges that arise because of the health care rules over Medicaid. So a lot of folks with disabilities are on Medicaid and the Medicaid benefits they receive are really critical to them being able to live productively. Medicaid benefits are often much better than the private sector insurance plans that companies offer. But when a disabled worker goes to work for a private employer, if they make just a little bit of money that gets past the income threshold where Medicaid benefits cut off.

So what we find is a lot of underemployed folks with disabilities who continue to only work a certain number of hours. They would like to work more but they can't because if they do their Medicaid benefits will be cut off and the private plan is not adequate. What we really try to do in Virginia is, and I've worked on this since I was a Lieutenant Governor and as Governor, is to come up with a Medicaid buy in policy where past that income threshold that employee pays some of their income to the government to continue their Medicaid benefits. So they are not just getting the benefit for free but we wouldn't have these rigid choke points where people lose Medicaid benefits. And I know this is probably a little more in Secretary Leavitt's shop than in yours, but clearly there is a real need, I think, as we hope to make full use of the talents and skills of disabled workers to try to find Medicaid polices that really encourage people to be all they can be and be as productive as they can be.

SECRETARY CHAO: It would be wonderful but if the federal and I'm sure you feel it at the state level, it would be wonderful if these cabinets had policies that actually coordinated.

GOVERNOR MANCHIN: Following up with what Tim just said, we found that quite a bit of our workforce is in the Medicaid alignment, basically, and not working because they would lose benefits. We are looking at the same exact thing that every Governor is facing. I think it is worthy of all of us to try to get you all together, to try and get you and Mike together if it's legislative. Matt.

GOVERNOR BLUNT: Thank you Governor. Madame Secretary, I certainly want to echo the thanks that has been offered for your leadership and flexibility. Just in Missouri over the past two years you have approved 12 waivers that we had so we could comply with a more flexible approach and so we appreciate that. Also I want to thank you for your comments about community colleges.

In my state, I found our community colleges are leaders in terms of workforce development and leading programs that can be utilized and I think are helpful. One of the challenges that we are facing in Missouri, and I believe in most other states is new TANF work requirements which set a much higher threshold for work related activities. We in Missouri currently meet those TANF work requirements. My understanding is that more than 40 of the other states don't meet those requirements either. Do you have any thoughts about how states should approach this issue of trying to meet these new thresholds within the TANF program?

SECRETARY CHAO: TANF is with HHS as well. I think with the next administration, these are issues that really need to be addressed and many of them, of course, are legislative.

GOVERNOR BLUNT: Certainly. And I agree the state level is going to require coordination between the Department of Social Services and the Department of Economic Development to meet these requirements. Abruptly, a combined federal approach would be helpful as well.

SECRETARY CHAO: I am a great believer in public and private partnerships and also partnerships between the federal and the state level, which kind of runs on to my remarks as well. So thank you.

GOVERNOR BLUNT: Thank you.

GOVERNOR MANCHIN: Governor Beshear.

GOVERNOR BESHEAR: I would like to get back on the topic of the lack of accessibility of the federal dollars to be able to be used to train workers who are already working as opposed to someone who is off the job. We do need that flexibility but in Kentucky what we have done to try to bridge that gap is to partner with the private sector with employers who put together private sector monies with state funds and we do it through our community college system to train workers, the incumbent workers, the ones that are on the job, so that hopefully they will be able to raise their economic levels. If we could add federal money to that effort it would be a major plus for us.

GOVERNOR MANCHIN: Governor deJongh.

GOVERNOR deJONGH: Thank you, Madam Secretary for your comments. One of the challenges that we have had in this year, in line with what you have mentioned, I have changed the composition of our workforce investment to reduce the numbers of the governmental members and increase the private sector participation to be more representative of the four islands which make the four different economies. One of the challenges, however, that we are finding is that as they come forward in terms of the opportunities to transition is that in an island based economy where an under developed workforce investment rules, the differences in training within the Virgin Islands and the opportunities to us and the ability to go out of the territory is extremely limited. So to meet the private sector needs in training and not have the capabilities within the private sector, or non-governmental organizations, limits the opportunities in terms of training the workforce or retraining them. I just want to get your thoughts on how best to approach the limitations, but also the limitation based on the economy that is island based.

SECRETARY CHAO: That's where the WIRED grants, I think, are so important. Some of the monies that come from the federal interstate level are by formula. Each one of you has all the monies that you received through the federal government and a lot of that is formula. We do have some discretion especially in the leadership of the workforce investment boards and the professionals that man the system. And I think more needs to be done to challenge them to think about economic development.

The WIRED grants, the workforce innovation and economic development grants are precisely given out as seed money from the federal government to stoke more thinking about how to make the human aspects of a community the pivotal point with which to attract new business opportunities. And for those communities that come together and incorporate of the diverse elements of that community they decide, you know, what are the likely employment sectors of the future that would be most advantageous, most appealing, most natural in terms of resources, human resources, natural resources for that community. Your Virgin Islands, I don't know, the Virgin Islands are very much focused on tourism, and is focused very much on energy. So you have diversity and yet you have focus as well. I can't say what would be the best sectors for a particular economy but we do give you these regional economic development grants that bring together the relevant stake holders to come to study what would be employment opportunities and sectors that would find your particular state or area attractive.

GOVERNOR MANCHIN: Let me say, as you can tell, this is going to be an exciting roundtable discussion now. This kind of leads into that, so I want to begin and thank Secretary Chao for coming. Thank you, it's been great. We're going to have now - what we are going to do is open things up. I'm going to -- first of all, turn it over to our facilitator. I'm going to a few things that all the Governors hold very close together is exchanging ideas. I read something and I see where Steve might have done it or Charlie or vice versa. That's the beauty of our working together and I think that we could probably teach a lot about camaraderie, obviously in Washington, if you will. It's exciting to try to come up with these ideas.

In my home state, West Virginia, we've said from the first day I got there, I said economic development. Education should be second. We should know what is needed in the workforce and they should know what's provided the skills of the workforce and if they're not talking, that's not going to happen. So we put them together immediately and I explained to them that there would not be another economic development meeting or strategy meeting without education sitting at the table and vice versa. We broke off of our community technical skills. We did not think we were getting the skilled work sets because it was basically a segue into a four-year degree coming in the back door with a two year

technical school because the criteria was much different at the community technical schools and then the four-year schools were pulling off. We weren't getting our skill sets. We broke off completely and now they are two separate systems. Community and technicals stand alone. Four-year colleges stand alone and they have to perform. So we are all facing this challenge of having the skill sets in the workforce for the 21st century.

So I would like to ask Jim to help lead the rest, if he would like to lead the rest of our conversation today. Let me just give you a little bit about Jim. For the past decade, Jim has served as the Executive Director of the Southern Growth Policies Board where he has provided excellent staff leadership on many issues affecting economic development, which also includes workforce. So Jim, I want to thank you so much for being here as our facilitator and if you would, at this time, take over, I would appreciate it.

MR. CLINTON: Thank you, Governor. It's a real pleasure to be here. Thanks for your leadership and putting together this conference and particularly this conversation on workforce development. I also want to recognize the leadership efforts in Diane Duff and Jennifer Schwartz at the Southern Governors' Association offices because they really are the ones who made this happen. What a great group of folks we have at the table today. There is a remarkable amount of expertise around this, not exactly round table, and I will try to quickly move forward to tap into that expertise.

Southern Growth has long and abiding interest in workforce development. I think you'll be hard-pressed to find anything that we have done in the last 35 years that doesn't touch on workforce development in one way or another. Just last year under Governor Blunt's leadership as chairman of Southern Growth, we developed a report called Enterprise South Dot Biz that many of the folks at this table played a key role in developing. The Governors got copies of this in their packages. There are some extra packets back in the back of the room if anyone would like to refer to them. One interesting thing diverged in that process, we did a lot of listening to Southerners. There were more than 4,000 people involved in the development of that report. So it was pretty well rounded in the challenges that our communities and states face.

Among the things that we certainly learned and the report touches on, falls on what was mentioned just a few minutes ago by Governor Barbour and that is the need that regardless of where you may be in time, regardless of what your current educational level may be, there is still a need to drive up your knowledge and drive up your skills level. So if you only have a high school degree, you need to be working on the next phase. If you have a college degree, you need to learn more. If you have a PHD, you still need to learn more to stay current in your field. This is a real concept of lifelong learning that we have to be a part of. We know that in a knowledge-based economy, we have to drive up the knowledge levels of our people.

One of the most prevalent things that we have seen, we all know that the south, generally, as a region has been behind the nation as a whole in education achievement. So we work on that every day. Everybody at this table works on that every day. What has been more troubling to us in more recent years is seeing the progress that some other nations are making in relation to our nation, particularly if you look at the cohorts of people between 18 and 24 and 35 and 59 and those who have at least an Associate's Degree or higher. You will see that we are staying just about the same in the United States. That is, there is not much difference in performance of our younger cohorts and our older cohorts. So

we're not moving forward from one generation to the next. Meanwhile, Korea and Japan, notably, and a number of other nations, have doubled performance from the older cohorts to the younger cohort. Now that's the bad news.

The good news is that it's possible to do that. We can do that if we are committed to it, if we're coordinated, if we collaborate, and if we make it the kind of priority that it has to be. Most experts in this field, pretty much everybody who studies the field, agrees at the end of the day that the challenges can't be solved just by those of us who have workforce development or education training on our workforce policies. But we are not alone. It doesn't matter how hard we work. It doesn't matter how dedicated we are. We have to help and we have to be engaged with other sectors particularly and crucially, importantly, we have to have a business sector as a real partner. We have to be listening to the challenges of the business sector. We have to be drawing on the talents of the business sector and we have to be responsive to their needs.

So we are particularly pleased that we have some very strong folks from the business sector at the table today. We are going to start this roundtable with them. Let's have a loop around these tables pretty quickly, especially on the first round. I've asked everyone to confine their opening remarks to three or four minutes so that we can get to everyone. I would like to start with our business partners and the question that we would like to address early on is, how can the business community really make a difference in building workforce capacity and what are the specific challenges that they are facing at this point? I will start here with the Appalachian Power. We have the President and Chief Operating Officer, Dana Waldo.

MR. WALDO: Thank you, Jim. It's a wonderful opportunity to be with you this morning and to talk about this very critical issue. Governor Manchin formed the 21st century jobs cabinet in an effort to really do exactly what you are talking about. Lifelong learning, including all of the pieces together and I am honored to serve on that cabinet and I am a member of the Business Leadership Sub-Committee of that Cabinet and we have been working over the last year to really put together some recommendations to the Governor. It revolves around three specific issues.

The first one is mobilizing the business community. The business community talks a lot. Sometimes we don't follow up our talk with real action. So we are going to do a statewide survey on business leaders to tell us what their needs are. Ageing workforce is an issue that all of us need to be facing. So we want to give the state a heads up of what our needs are, not only in skills, but what we see in the next five or ten years in terms of need for employees. The other is that we want to assist in setting goals. I think we can bring some business practices to education in establishing goals and putting some kind of measurement system together and have a portal in which all employers and educators can enter and learn about what our goals are, how they're achieving and working towards those goals. And we are going to be an advocate. We are going to be an advocate for legislative initiatives. All these things that are going to come out of these that we talked about.

Two specific things I want to talk about to these things. We see the principal as the Chief Operating Officer or Chief Executive of their schools. We are looking at a mentoring program in which we can match up a principal with a business executive so that we can talk about things. Time allocation, workforce surveys within the school, how do you work with your teachers to bring teachers along. We

think there is a lot of commonality between what principals are doing and what business leaders are doing. We want that looked at.

But I would like to bring to you a real successful example that the Secretary and the Governor talked about and that's the community colleges. Appalachian Power is a unit of American Electric Power, one of the largest electric providers in this nation. Within the Charleston region, we have a half dozen large generating plants. One of the most important jobs in that plant is the control room operator. Highly skilled, it's not a job you can just walk in on one day, and be able to operate a billion dollar asset. We have teamed up with the West Virginia State Community College by providing funding, some seed money to that college, to establish a program. We helped get built the curriculum around the job requirement. We had a simulator in the region that we used and offered it to the school for a class setting. The first graduating class that came out of there, every one of them was employed by an electric utility and we hired the majority of those students. Very successful. Great opportunities for private and public partnership. That's what we need to strive to solve our issues.

MR. CLINTON: Thanks. That's a wonderful example in what a difference the private sector can make. I know there is an oil company with headquarters in Oklahoma City that has completely changed the definition of sponsoring or adopting a school. And what they've done, they've adopted an inner city school but instead of just putting up signs and paying for some supplies, they have given a release time to everybody in their headquarters. Everybody in the building has release time to work on that school and they provide a full-time shuttle back and forth between the headquarters and the school. So they are there all the time. I think that's a wonderful example of what kind of difference that the private sector is capable of making. Lets' turn to another important business sector now and call on Mike Petters from Northrop Grumman, Mike.

MR. PETERS: Well, thank you Jim. I am honored to be here today. I appreciate the invitation from the Southern Governors' Association to address this important topic. A couple of you know me and this is one that is real close to my heart. The reason for that is pretty simple. Northrop Grumman is an American company that employs 120,000 worldwide. 70,000 of those people are in states that you represent. 40,000 of those 70,000 are involved in shipbuilding that I have responsibility of.

Over the next couple of years in our shipyards in Louisiana, Mississippi, and Virginia, we are going to deliver a half a dozen ships. At the end of that time frame, we will have a \$20 billion backlog in shipbuilding. We have between one fourth and one third of our workforce as retirement eligible. In Virginia alone, between now and 2015, we will be hiring 15,000 people to new shipbuilding. The last time that I checked, there is no university in the country or in the world where you can go and graduate with a Bachelor's Degree in shipbuilding. You can learn a lot of things but when you come to the shipbuilding enterprise, it's time to start learning how to build ships. And so the challenge that we have had in working in these states is trying to make sure that we productively engage in the workforce initiatives and make sure that we get the value out of what the workforce development centers are offering. In Virginia where I spend most of my time, under Governor Kaine's leadership, he has brought the workforce development process and community colleges together. I have just completed a four-year term on the community college board and as I move on, Governor Kaine has been gracious enough to appoint another shipyard employee to be on that board. Also the Chairman of his Workforce Investment Board for the state is Director of Education inside the shipyard.

We have done some of the exact same things that Mr. Waldo talked about where we have gone right into the community colleges and put our designer software in the community colleges so that the folks that are taking those courses, when they graduate from Thomas Nelson Community College with designer credentials, we know they have already been trained on our software. There were virtual welding programs and we have done that in partnerships in community colleges. We take welders into the shipyard and if they have no experience it takes 18 weeks to get them qualified to be at the first level of welding. Because of the use of the virtual welding program in the community college system, we have cut a significant time out of that training because we know they are using our programs. And so leaning forward with those systems in Virginia has been very helpful for us. But it's not just Virginia, like Governor Barbour has already talked about money issues that we are very excited about relative to the metal trades and shipbuilding in Mississippi but he has also been the leader of creating a private facility in Gulfport, Mississippi. The future shipbuilding may not involve just metal trades but composite trades. So we have a state of the art composite facility in Gulfport and in partnership with Governor Barbour's staff, we have created a community college program to support the skill development of the folks in our composite facility. In fact, NASA is now looking at that facility as something that they can use to their advantage, as well. So it extends beyond shipbuilding.

I was given that -- Northrop Grumman has a long history of leaning into workforce development. Everywhere we are we work on this issue. I would just offer two perspectives. First of all, businesses are always looking for value propositions. We will invest in workforce development initiatives if we feel like we are going to get the value out of it, in Mississippi and Louisiana and Virginia, where shipbuilding retirement is a possibility, I have seen that we get the value out of it so we make significant time and resource investments into that chain. Putting people on boards, putting people on committees, putting the software in programs, and working with the community colleges, all of those things are resource investments from the business because we see the value of doing that. Those states have been leaning forward to make that a value proposition to us. And so I what would offer to you is, look for the businesses that are willing to invest and then make it worth their while. If you try to go out and try to solve everything, what you will end up with is a, you know, camel designed by committee. You will end up with a lot of folks that have a lot of skills that aren't really relevant to any of the specific businesses. So be very mindful of how to identify those businesses that are willing to invest their time and resources into workforce development and then go make it worth their while.

The second thing I would say is as a board member of the community college system, Secretary Chao's comments, and statistics that she gave us, the statistics are very like the challenging statistics are very -- about where you are with your diplomas and the unemployment in the south. I think that's something that all of us have to keep in mind as it's a continuous learning process for us. I think that in leadership positions, we have to be very careful that we don't allow that to divide us. So often we find ourselves in a debate between should we put more of our resources into the community college system or should we put more of our resources into the higher four-year programs or is it K-12. We end up dividing ourselves among those areas when in fact it is really the whole portfolio of what we are doing here that drives workforce development. Because we might bring on shipbuilders with PhDs. I have cleaners. And I have everybody in-between. So I need all of that to support my work. Thank you all for inviting me. Again, I am glad to be here. I look forward to this discussion.

MR. CLINTON: Thanks, Mike. Another critically important industry to the south is telecommunications. Both because of its pervasive role that it plays in our everyday lives and in our

businesses, but also because we have been blessed with a number of entrepreneurs in the field and have, perhaps, a disproportionate number of jobs in the south. We have Bill Strahan who is Vice President of Comcast in Philadelphia. Bill would you talk about Comcast for us?

MR. STRAHAN: Certainly. Thanks and like the others said, I really appreciate being here. I think some of you are aware, our headquarters is building back at the NGA and I hope you all enjoyed it and we definitely enjoyed having you there. I can't help but comment on Mike Petters' comments. I think Mike Petters' comments are right on one point, when so many needs that we face are similar to his and Dana's, as well. I think picking up on some of those needs that I would have. Our jobs are very much place-based. So employ about 100,000 people in the country and of that group about 85,000, and that's growing, are hourly wages. Folks that install the product in your homes and businesses, the folks that answer the telephone, and when I think about those you can't decide, well, we're going to put a dispatch of vans to install the product here versus there. We need it where the folks live. We need it where people's homes and businesses are so we can serve them. So to some extent we've got an interest in everywhere being competitive. Being able to get the solid technical jobs that pay well above the average.

For example, high school graduates, we pay on average about \$38,000 for those base salaries that install the product in people's homes with bonuses that comes to about \$40,000. We spend, for example, about \$800 million in benefits. So there is a lot of value in those jobs that we think we're putting out. We have come to an organized perspective about the way we think about things we do for people. One thing that is helpful and that businesses could do, is to talk more together under your leadership in things like organization in the Southern Growth Policies Board. I organized a principle that we adopted is how do you develop middle class families among our employees? We pay a pretty decent salary for the jobs that we offer relative to the education that we ask for. There is a difference between putting out five, seven, or ten thousand dollars more into that home of just cash, versus really developing middle class families. That's the problem that we had.

As we develop a knowledge economy, are we leaving people behind? Are we becoming a two-class society? Because that is not going to work. That is not going to work for our country. And we've got to fight that. So how do we fight it? One is that we offer great benefits. We offer great educational benefits. But we are adding a benefit this year that we are very pleased with and encourage you to take a look at in your own states. That is employer assisted housing. We are going to offer \$4,000 as a down payment to every employee this fiscal year. We are going to start with a little bit of needs testing, if you make \$50,000 a year or less. We've got matching funds out of various cities. Chicago is big with this. Philadelphia is big. Baltimore is big. If we can help establish middle class homes and not just jobs, we help the communities that we live in and we leave infrastructure behind us. That not just better telecommunications but we leave better communities. And we think that is going to be critical.

So I encourage you, I ask you since I have a minute to make my pitch here, take a look at programs such as this that really help benefit those people get that kind of level. And one quick word about what does that mean, again, it's not just dollars. Middle class people have more things to fix. Poor people don't have things to fix. They can move. They can kind of give up and decide they are going to move to the government, look to the government for support. Middle class people have things that they care about that they could lose. So we have done a lot of education to try and help the people understand this issue because we want employees who have things at risk in their lives. All of the good things that we have,

and that wealthy people have, we want to give a taste of that to our workers, because essentially, you know to some extent the more you are at risk for, I don't know about you, but for me if you have a mortgage, that motivates you. So we like people who are invested in their communities and want to see their communities grow. We need the help of the government to help us bond with other employers who are like-minded and to see this not as us versus them but as us together to try and help these communities. Thank you.

MR. CLINTON: Thanks, Bill. Thanks to all our private sector partners here. We've asked them to continue to weigh in throughout this conversation. Those of us who do something that resembles economic development for a living are constantly aware that economic development actually occurs in the private sector, even though we like to claim credit for it, it's in the private sector jobs that develop and create it. We really appreciate your commitment to the south and to this conversation.

Obviously, a number of our states are working very hard to engage the private sector and other non-traditional sectors in the workforce conversation. One of those is the State of Georgia. And we will start the public part of this conversation by calling on our friend Debra Lyons who is the Director of the Governor's Office of Workforce Development for Governor Perdue. Debra.

MS. LYONS: First of all, I want to thank all the business leaders here. I really appreciate you all taking time to come here and value the insight you bring to us as policy makers for the Governors. It's my honor to represent Governor Perdue and there are a lot of statistics and Secretary Chao pointed them out today that businesses are concerned about finding new talent because they talked about that here. Governor Perdue in Georgia, what we have done is look for a very business driven strategy, one that is going to connect workforce and education together and aligning it with economic development. And in order to do that, we now talk about the skills gap but we what we are doing is building a foundation to really be able to measure the skills gap. The difference between the skills a job applicant has and the skills a job takes. In order to eliminate it, we have to measure it.

In Governor Perdue's Georgia's Work Ready Initiative, its voluntary work towards developing tools to help our companies and businesses be successful. And in that toolbox for business consists of four things: work ready assessments and certificates, work ready job profiles for businesses, certified work ready communities for economic growth at the local level, and work ready regions where you have really integrated a driving transformational change. I just want to talk briefly about each one of those.

I want to start with the job profiling because what we have done, what lots of states are doing this, some around this table have very similar initiatives, but what we did in Georgia is we drove this sort of business community and started engaging the job profiling with businesses. The leadership came from the Georgia Chamber and from Georgia Power. And we began profiling jobs for companies and what businesses found was a very valuable tool to help them understand exactly what the skill level was that they needed. What we found was that most businesses really don't understand the skill levels that are required in those existing jobs.

From there, we also began offering work ready certificates available to every Georgian, from high school on, at no cost. We are using ACT WorkKeys. It's a nationally accredited system measuring foundation skills. What we guided to that in Georgia, is we got a work habits comparement. Businesses told government, "We want foundation skills and you want soft skills measured." To improve

remediation in our state we have job training available at no cost to every single Georgian. We are using this system in order to identify our skills gap and close it and I am going to talk a little bit about our successes in a moment. To take one step further now, we've got job profiles for businesses. They're really engaged in Georgia. We have profiled 100 jobs in the last six months. That's astounding. It takes about a week to do these. We have a lot of Georgians getting work ready certificates, 18,000, with 15,000 in the last year. But in order to drive economic change, we needed to do this at a county level. We are doing it through an initiative called Certified Work Ready Communities. Where community leaders are coming together, and a lot of these communities are led by business leaders, making sure that their already existing workforce are earning work ready certificates but they are also increasing their graduation rate. So it's a way that we have linked workforce and education together at a county level building in that economic development foundation together. From the county level, we moved into regions. This is really where the business led strategies are coming into place.

In the work ready regions, we found groups of counties that began to work together to increase their skill levels, increase their graduation rate, so we started offering regional grants very much based on the WIRED initiative. Georgia didn't get a WIRED grant. So we looked to create our own WIRED grant. And we did that with work ready regions. And we've got real simple goals. They're all business led with each one of our regions as a business leader. They are building industry networks of business that are driving the implementation strategy. And we keep it very simple. We focus on eliminating the skills gap by region using job profiles all in these growth industries, improving region high school graduation rates that are key to being certified work ready. We are increasing post secondary graduation rates aligned with the strategic industries that are there. We do it very cluster based all around the supply chain and integration. And we are also looking at upgrading the skill sets of the existing workforce. This is the industry network system that the need and help guide us. They are also profiling their jobs but they are going to provide Governor Perdue the executive summary to help the Governor exactly understand what are the common training needs across the industry group. And not only understanding what it is, but what are the public/private partnerships needed to make it successful and then how do they as an industry group manage it. So that is really where these regions were growing.

We have 11 of these efforts underway in areas such as automotive, manufacturing, bioscience, energy, advanced communications, and logistics. So in closing, I just want to show you how we are doing in the year since we really began watching this effort. As of June, we have 18,100 work ready Georgians, 15,000 in the last 12 months. We cannot on one sheet of paper measure our skills gap. We closed it ten percentage points in one year. Now when we measure, we are at three to five percent and that's how we close it, the fact that we can now measure it. Our graduation rate has moved 74.4 percent. We were at 70 percent when we began the community initiative. We are partnering with the high school graduation coaches Governor Perdue has funded in every high school. We are now above the national averages recorded last year. 108 of 159 counties are in the process of becoming certified work ready communities. 20 of those counties are completing their expectations and Governor Perdue looks to award that first community before the end of the year. We announced our first certified work ready plant in Georgia, Covidien. They certified 374 employees. But here is what's key. Not only are we doing this to help improve HR in hiring and retention turnover, they're interfacing with lean measurements such as increased productivity and reduction in wasted.

I know Northrop Grumman in shipbuilding under Bob Liebert is doing a lot of the same initiatives that we were doing. The innovation requests and work ready regions were recently debuted early 2008. It

consists of leaders of biosciences companies such as: Noramco, Solly, Intel, Zeal, and is led by Andy Graham, a no retired International Vice President for Johnson and Johnson. So I hope, very briefly, that I was able to just share with you how workforce is changing the way we do business in Georgia and we are seeing great rewards. Through it, Governor Perdue is creating the competitive, talented workforce delivering the right skills to companies and creating a competitive advantage for Georgia for years to come.

MR. CLINTON: Thanks, Debra. Like Secretary Chao, I am a big fan of community colleges. I often tell my friends in the university community that I think the most invocative behavior in the last ten or fifteen years in education has occurred in the community colleges. We are seeing a lot of that throughout the south. You might think of North Carolina community colleges focusing on the retraining of the laid-off workers from tobacco and furniture manufacturing into biotechnology. Just recently formed, through our Southern Technology Council, a consortia of community colleges that are going to focus on nanotechnology training and sharing their knowledge base and skills for doing that. A lot of innovative behavior out there. We are fortunate to have Bradley Byrne with us from Alabama. Bradley is the Chancellor of the Alabama Community College System. Would you talk a little bit about what you are doing to engage the private sector?

MR. BYRNE: Yes, thank you. The first thing that we learned when we started trying to align our community college system with the needs of business and industry was that we were not doing a very good job of listening to business and industry. So following the lead of our Governor, Bob Riley, we have become much more proactive in going out to business and industry and engaging them proactively to find out what they want and what they need. In listening to them we found some things, that in some cases were painful, but we needed to hear them in a painful way so that at least we knew about them.

So for example, we learned that in some of our areas, while we are doing a good job of turning out a large number of registered nurses, they are not necessarily prepared for what the hospitals in that region need from their nurses.

We heard from people in the shipbuilding industry. While we have done a pretty good job of getting some people prepared for certain types of shipbuilding, the new aluminum based shipbuilding that is coming to our mobile area is something that requires us to teach welding in a different way. We had all of our engineering deans together the other day to talk about our needs for engineers in the coming times. We know we need 1100 new engineers a year over eight years. But when we got our engineering deans to talk to people that hire engineers, we found out that they didn't talk the same language. The engineering deans mean one thing when they said an industrial engineer and the people in the private sector meant something quite different. So the first thing that we have to learn is to not talk as much and to listen a lot more and to not try and make what we have in the academic area try to fit over with what the private sector has. We are trying to make sure that what we do fits in with what their needs are. So we have come up with a few things that we think are going to formalize that and would help that endeavor move through the next three years.

One of them is that I require one of our community college presidents to be involved in whatever economic development, whatever chamber activities they have, and be sub-serving the thing. Three of our community college presidents in Alabama are chairs of their local chambers this year. So I am encouraging that everywhere I go. I think and I require each one of our community colleges, and each

one of our technical colleges -- we have four colleges that aren't full community colleges. They're just technical colleges. Each one of them has to have a person full-time and their destination is to be in charge of training for assisting business and industry, TEBI. We do a great job of responding to the needs of the new folks that are coming to Alabama. We are so anxious to compete with the words of -- Tennessee or whoever. People do just about anything to say we want to reach and get the training you need for the people who come to our state. What we don't do a good job for is the folks who have been with us for decades. So that new TEBI coordinator will be charged or discharged with the obligation to go out and proactively engage existing businesses and industries and say what are your needs for incumbent workers and continually - to provide a continual supply of new workers.

We know that we're aging out of our tech workers. We know we have done a bad job of creating the next generation of tech workers. In order for us to understand what that means though, is that we have got to make sure we are engaging the private sector to do that. The other thing that we have done is that we have reorganized our one-stop centers. I also Chair the Workforce Planning Council during the last month or so of that. We have really challenged our one-stop center directors to do the same thing in terms of constructively engaging their local business community.

It's one thing to have people come to the door and need our help in order to get a job. It's another thing for us to understand what sort of skills they need to match up with the jobs that are out there in the community. I do know that a branch would want to have a formalized way to instructively engage our business and industry community. A couple of things that we have already learned that have taught us things we know that we are going to have to change: the first thing is, that this is that business and industry are telling us that they are really tired of hearing about the alphabet soup of agencies. They don't care about all of those agencies. That doesn't respond to their needs. So our regional workforce planning councils, which are composed of 80 percent private sector employers, tell us, the state workforce planning council, what their needs are. Our state workforce planning council is 80 percent agency heads. And so we take the alphabet soup out of the equation for the private sector people. They tell us what they need and we figure out among ourselves who or what is the best way to respond to it. And then we get that to them without them having to worry about which one of our agencies is the best way to respond.

And then I guess the other thing that we have learned through all of that is that we have to understand more particularly what the skills are for the various things that we are training people for. One of the big things we know that is growing Alabama is aviation. In order to respond to the needs of a rapidly changing aviation industry we've got to be much more in tune with what the aviation industry means when they say they need an AP mechanic, somebody who works on an airplane. We know how to turn out AP mechanics that meet FAA standards, but that doesn't mean that they are ready to go to Sikorsky or to US Helicopter. So in order for us to understand precisely what has to be in our training program, we've got to get down on that level. And so as we go through this process, we're convinced that we're going to become a lot more responsive to the needs of our existing business and industry as we have been for the new ones.

MR. CLINTON: Great. Thank you. Your remarks are a perfect transition to the next set of questions. And this is more of some of the things that have already been said. We know that there has to be, for us to be successful, a lot of partners that are engaged in this process. It takes the private sector, it takes the public sector, it takes the educational community. There is that entire alphabet soup of partners. A

number of our states have been working hard on streamlining and working on the issues related to funding streams that Governor Manchin alluded to earlier but also just the entire process of managing it and presenting the united front to the public and private sectors for efficiency sake. I want to call on Kelley Goes and Ron Radcliff from West Virginia to talk about this. Governor Manchin, any remarks before Secretary Goes and Director Radcliff?

GOVERNOR MANCHIN: I am interested in hearing the private sector and hearing the public policy sector. Sometimes it's great that we have acknowledged that we have disconnected and now we're trying to connect the dots. And I think we're all, in every state, concerned about making sure that we are not spinning our wheels and we're focused on getting the right skill sets that are needed in the job market that you have at hand. And it's what we call real-time, that's what Kelley and Ron's challenge has been.

They're doing a great job but we've got to be focused. I was just talking - I don't know what you all think about this. You know we call it community college, which is not really a thought processes. We keep talking about community career centers, you know. Some of the people we are getting in, our non-traditional students if you will, might be intimidated by it. Never wanted to go to college, never intended to but they want the skill sets. Does that vary, community college versus the career center? Does one have more appeal to it? I would like to hear from the panel what they just think about it. Because, we are looking at that. We are going to have two highly skilled sectors, we are going to teach real trades and then we still have the community college system, too. But my concept is that we've got 16 other colleges, four year bachelorette college, what we really need is career skill centers. So that might be something to think about. So with that we've got two great people here.

MR. CLINTON: Kelley Goes is the Secretary of Commerce and Ron Radcliff is the Executive Director of Workforce West Virginia.

MS. GOES: We've been asked to stress the streamlining and the consolidation that has taken place in West Virginia. So I'm going to give a broader view and then I will let Ron talk about common ground implementation that has been going on. The first issue that we recognized in West Virginia, when we started putting education and economic development together, is that there is not a common language between those two entities. And so what we've done is we've tried to break down what we are both talking about on an economic development side.

I confess, I have very little understanding of what education does or what their motivations are beyond having participated as a student. From the education side, they have very little idea to no idea of what the realities of economic development are. And so in order to have meaningful dialogues to move forward and not just to have friendly meetings where we all sit around the table and talk about how great it is that we are all sitting around the table. We really had to go deeper and deeper into the educational system and the economic development. We've taken it upon ourselves in Commerce, myself and Ron Radcliff, to go meet with college presidents, to meet with university presidents, and then to meet with professors. I had a conversation with one professor where he said, "This is really interesting what you do, Kelley, but you just let me know when you have the next announcement and we'll start working on the curriculum for the engineers." I said, "Well, unfortunately I don't think they're going to let the plant stay idle for two years while you catch up with the workforce that they need at the engineering level." And he had honestly never thought about it in those terms before.

I had another conversation with a university president. She was very interested in getting in some of these new fields. And I said, "Well, given your location of where the university is and some of the jobs in that region and the fact that you have a very fine accounting program, I would be focusing your students on start-up companies or high tech companies where they can then become accountants specializing in that type of company as a very good way to not only get your university on the map but to also get your students some skilled employment. And she ran with it. The idea was that communication between economic development and the educators and how they work together. And so as Dana said, the industry is going to be together and put together a common language of what they need which will help economic development and education continue to work together to actually make the improvements. Now that we are all saying the same thing, it's time to take the actual steps to accomplish what it is that we are all saying.

With that, I will hand it over to Ron. Ron is the Director for Workforce for the State of West Virginia. One of the first things Governor Manchin did when he took office was he combined elements of Workforce that were scattered through various agencies into Workforce and then put Ron in charge of all of it. Ron had the task of coordinating agencies that are mostly federal funded with some state funded. He had the task of getting everybody in line with moving forward with Workforce and Ron has done that. He has come up with some innovative programs to get those services to the folks that need it.

MR. RADCLIFF: Good Morning. It's good to be here. Good to hear other ideas on workforce. I have had the privilege of working for the last three and a half years on attempting to pool all the public sector together and I have certainly been taught a lot of lessons. Let me tell you one overarching thing that has disturbed me in my three and a half years, and I am certain that it disturbs everyone in this room, and that is the pace with which we can move. That disturbs me a great deal. I have remarked myself, and some others have, within the last couple of days, that we keep talking about 21st century skills and it occurred to me that we are eight years into the 21st century.

That being said, we have taken the Workforce Investment Act and tried to mold it into capturing the things that we need to serve business and industry. My byline and I know the folks that work with me, is that I keep saying business is boss, they hire, they are on the edge of what they need in terms of upgraded skills, and new skills and so forth. We have utilized as much as we can the one-stop career center. I think that is a great idea. I believe it came under the Workforce Investment Act. We are trying to capture all the mandated partners that produce some part of a skilled workforce into our comprehensive one-stop centers. That in and of itself is a great job because while we speak integration at the local level, I think was mentioned previously, we don't speak integration at the national level quite in the same terms. So we have worked very hard to get all of the other sectors that produce as part of the Workforce into the one-stop centers. Secondly, I think the question refers to how do you move this along at any kind of a speed. And we have determined that the way to do this is the glue that holds the whole system together, is making a complete workforce database. We have started to do that and that we have higher education, community colleges, DHHR, corrections, DRS, and all the folks who are in that one stop importing their information into one database that is successful and transparent. Not only for the public sector but certainly we are working toward doing that with the private sector.

Some of the things that also help is the fact that we can track folks as to when they enter training programs and we can track them, not through the training program, but into a job. So we can see the speed in this successfully that we get from putting them into the tracking system in addition to the

database. It gives a lot of feedback to both sides of the fence. Let me give you just one quick example and then I will finish. We have also looked at the generations coming up. I think that all of the leaders are very much aware of the fact that we have to start looking ahead.

And as I look ahead at the generations, as far as two down from me now, they are not interested in operating in the same way. We like to come and talk face-to-face and so forth. I have found that the people under 30 or maybe under 40 do not operate the same way. They want to go online when they want to go online, where they want to go online. They don't want to come to a building and industry is starting to slow down. They don't want to bring a card table to the building and try to recruit young people. We're developing a virtual job fair in which it can be shared by business and industry, the public sector, intriguing young people to come to the job fair. Instead of coming physically, they come to it virtually. And I think that that is kind of the future of where we have to be on workforce development. Thank you.

MR. CLINTON: Great point. Let's not count the number of generations below us. It's just depressing. Another state that has been very reactive in reorganizing its workforce efforts is the state of Missouri. We have Roderick Nunn who is the Director of Education and Workforce Innovation. Governor Blunt, would you like to introduce Roderick or say anything before he weighs in?

GOVERNOR BLUNT: Sure. I'd be pleased to. I really think that there are two areas where we've got to cross in trying to consolidate our workforce development. One would be just within the part of economic development itself. I've tried to build it around the business community. We've created industry councils to help us go after new jobs and strengthen the environment within our state. Within one of those industries we have actually eight clusters. We have a very diverse economy in Missouri and we have eight industry councils and they are staffed with an expert, a policy expert, that staffs the council but they are really driven by ten to twelve CEOs in that industry. We found that to be extremely effective.

Another area we have made or are making progress in is education, really from Pre-K all the way to plus graduate education for job placement. And like many of the other Governors, I am concerned about the quality of the stem or METS education, Science, Technology, Engineering and Math. In 2006, I convened a survey and one of the things that we discovered is that not only is there not much cohesion between education and workforce development, the education community itself is very bifurcated with middle schools, within the same school district. They thought they were supposed to teach to a certain level. High school assumes that the students have a certain level of knowledge entering high school. And middle school and high school weren't communicating with one another. That problem in a local district existed as well within the state district.

So we created something called the P20 Council. It's actually created in statute and it consists of the rankers of the Department of Elementary and Secondary Education, Higher Education, and from the Department of Economic Development. Really it's trying to create a grid to create cohesion on. I had a much higher priority in education funding but it's equally important for me to have a clear and coherent approach to bring industry and the P20 Education community together so that they have good alignment and get at conversations in a very meaningful way. To help staff that P20 Council and serve as my Principle Advisor on Science, Technology, Engineering, and Math Education and

Workforce Development, I created a post within the Governor's Office, the Director of Education and Workforce Innovation. Roderick has done a great job of filling that role and I would like to ask Rod for his comments. Rod.

MR. NUNN: Thank you, Governor. When we have these conversations about how we align and network assets across these organizations' stovepipes, it's really important that you build this capacity and sort of get away from this hierarchical vertical process to build solutions. The Governor just described the industry councils, our METS coalition, as well as our P20 Council. All of those structures allow us to take on more of a networked government process to really connect all the sectors, all of the parties to workforce development.

At the P20 level, unlike most states, economic development -- the director is a former CEO in the private sector. He is an equal partner to K12 and higher education. So we do all of our alignment work through the education continuum through the lines of economic development that is a very powerful way to do that. I'll share a few examples of some of the work that we are doing.

One is something called "Industry Copies through Modeling." And the conceptual framework is any industry cluster you can sort, and Dana talked about the need of businesses wanting to get their heads up on what's going on and trying to look at the needs that we are going to in the next few years. So one of the ways we can take a look at that with our industry partners, CEOs, is through this modeling. And so we look at personal skills at the foundation level.

We talked about soft skills, capability, initiative, reliability, professionalism, and we look at the building blocks of child development. We look academic at competency: reading, writing, and math. We also look at workplace competencies. We often hear about critical thinking, problem solving, team collaboration, and really specific things of that industry: licenses and things of that nature, those types of comments. And so what we do is, again meeting with all of our industry leaders to go out and to model. To really not only speak to a skills gap, but to sort of look up career lattices, pathways, and cross industries and really take that work and amplify it to curriculum alignment to see where the educational pathways development in continuum, how we can get a critical mass of students and get the target industries, these high growth industries that supply our economy. And so we've got these statewide structures in place but we've also invested a great deal into regional transformation.

We've been very successful with some other states with our WIRED projects. We've got two WIRED projects, one in Kansas City and one in southeast Missouri. But we've also taken the Governors discretionary fund under the Workforce Investment Act into a sort of regional approach. When you look at those strategic alliances at the regional level you see more of a horizontal approach to workforce development with our industries at the table leading the discussion. P20 education is at the table with the faith based community organizations at the table and we're seeing progress and innovation flourish throughout Missouri.

Just to give one specific example, lifelong learning accounts. Some of you may be familiar with them. It's the kind of account where an employee can invest a certain amount of money per paycheck. Sort of like a 401K for workforce development where an employer matches and then there is a third-party scholarship from the public system. We're piloting a pipe net concept with Kansas City and our

WIRED Grant in biotechnology, and health care advancement investments. Our largest employer inBJC Heath Care. It's also on the lifelong learning council or career center for lifelong learning. So we've got a number of examples where businesses, educators, community groups and the like come together to create innovative solutions to address these really difficult talent and development issues.

And I think in closing, it is certainly important to have the structural assets in place at the statewide level, the state government level, to connect that conversation and align things. But it's equally important to have those regional structures in place to deal with problems that are where the rubber meets the road, where entrepreneurs, where educators and community leaders come together to dream about specific solutions to their local labor market problems.

MR. CLINTON: Thanks so much, Roderick. Another state that has really undergone some fairly radical surgery in terms of breaking down the barriers of communication between workforce and economic development is Oklahoma under Governor Brad Henry's leadership and we have the Deputy Secretary of Economic Development for Workforce for Oklahoma, Norma Noble.

MS. NOBLE: Thank you, Jim. Under Governor Henry, the Governor's first steps were to realign and reconstitute the state's workforce development board to the Governor's Council for Workforce and Economic Development. He changed the priorities of that council to build on those policies and those processes. The resources that were in the workforce; the talent development - so that they would be aligned with the economic priorities of not only the state, but of our state's regions. He did that and changed the nature of it, I don't think we are quite at 80 percent but we certainly are far above 51 percent, in the state led formula. In addition to that, he asked that the state agencies would appoint a senior level executive to a workforce solutions staff team. And that staff team would not only support the council but they would work on a daily basis, and in fact, they meet twice a month to work through problems of process and policies that are impeding our ability to align these services.

Since that time, we've looked in our state at a way to approach support of our industries and indeed, as you said earlier, you can't solve all the problems at one time. And so we became industry focused and refocused as a way to address the structure of the problems of how do we form proper partnerships. We instead, using our incentive fund because we didn't get a - she's gone now. We haven't received a WIRED grant but we've used a variety of sources including some private sector sources of funds to support regional initiatives. Support bringing regions together rather than single communities and bringing industries together regionally because we know that economic development occurs regionally not just statewide. As we looked at the results of what did we really need to do to accomplish this alignment, our first steps were to look at the industries that were driving our economy. So we looked at health care, aerospace, energy, advanced manufacturing, TDL or transportation distribution industry.

Even so, as each of those industries has been supported, we have looked in depth at where are the gaps in between what those industries need in terms of the workforce that they have and what's in the pipeline. So we have really focused on good data, bringing the partners to a table. Sometimes we didn't have the right education entities there. Sometime we didn't have enough of the industries there. And so then you have a two-pronged approach to making sure we are doing the right thing at the right work moment with the right problems, not only statewide, but regionally. We have utilized our council and its work provided and divided its work into taskforces. Those taskforces have recruited from industries to focus on - so that not only do we have members of the Governor's Council always involved, but we

bring additional members of industries into the equation when we do the work, focusing on those industries. That has been very helpful for us in making sure that one, we have industries involved and we've got good information and stay current but it also has energized the work of the council.

Secondly, we have used some already existing employer organizations. We have in Oklahoma, a senior executive human resources forum. That body is the major employers from our state alone. We're talking about -- it's a smaller group. We also use SHRM, the Society of Human Resource Management, in our state. Those two entities have worked with us to confine what, from the industries perspective, they considered the major impediments to an effective workforce.

One of the major priorities that they have - we have in our council work identified what we believe to be the major priorities for an economic development based workforce solution. We now have come together quarterly with those bodies - developing, are we working on your priorities, are these the right initiatives that we are working on and I would back that it is a robust strategic process, we stopped copying our strategic plans because they don't last long enough. We started out with a five-year plan. We went to a two-year plan, then a one-year operational plan. And so we just say we have strategic initiatives and we are working on those initiatives and clarifying them. The task force is on education alignment, employment and retention. Building on the skills of the underutilized populations in our workforce. A statewide youth council, which looks at what's happening in PreK through 12, as very often PreK through 12 feels disconnected from the conversations that we have. And so we specifically look at them in the youth initiatives, but we also have them plugged in now into our agency set to work.

And finally, I would say that our success is based on our ability to determine by industry, and I'm going to take aerospace as one. We know now what are the skill requirements for a paid fry cook to an engineer in aerospace. What are the credentials and certifications needed? Where can they get those credentials and certifications? What is the gap in the current pipeline? And as we do that, and as we build that book for each of our industries, we believe we will heap our educational line as well as communicating to our public. Thanks.

MR. CLINTON: Thanks, Norma. Another state that is very active in this arena is the Commonwealth of Virginia. We have Daniel LeBlanc who is the Senior Education Advisor for the Commonwealth. Governor Kaine, did you want to say a word to introduce that conversation?

GOVERNOR KAINE: I'm going to say a word to introduce Danny. I am going to stand because I have a visual aid that works better if I stand up. It is about a problem and looking for a solution. So I was the Mayor, and then Lieutenant Governor, and then Governor. And in my Mayor and Lieutenant Governor time, if I would talk to businesses through negotiators through the late 90s and early 2000s, they would most often raise a regulatory or tax issue. That would be a common thing that I had to wrestle with. I noticed about half-way through my time as lieutenant Governor, that really switched and that workforce became a lead issue that we talked about all the time with businesses.

When I became Governor in January of 2006 and I heard some more from Virginia businesses and others, I was thinking, well, let me look at data. Anecdotes are one thing, but let me look at that data. When I looked at that data I was confused because we have high median income in the state. We have low unemployment. Of large states, like the 20 largest states, we almost always have the lowest unemployment rate and our median income is high. So it made me think, well, how bad can our

workforce system be if we have high income and low unemployment. We were just plugged for the third year in a row by Forbes.com as the most business friendly state in America.

So on the one hand I have all these things that are going well, but I have businesses saying, well on the other hand, we can't find workers for these e-trades, it's not an agile or nimble system. So I started wrestling with why is the data good, and why am I hearing bad from businesses.

One day, early after I got to be Governor, I got this thing on my desk. It was the Annual Report of our State Workforce Council. As you are Governors, and all of you, you get things, reports, that get in the inbox and you might look at them briefly and then try to decide what to do with them. When I got this report and looked at it, I had a great epiphany that led me to charge an individual, Danny, who is going to talk in a second, with a task.

I picked this thing up thinking I would look at it and see a report by our workforce council who is responsible for about \$4,000,000. A considerable amount every year. Dollars are actually from the federal government. So I opened it up to read about our workforce council and I opened it up and said well, okay, I've got to open it more (indicating), and I opened it up (indicating), and I opened it up (indicating), and I opened it up (indicating), and then I opened it up. That's when I knew, gosh, I had some work to do here. This was our Virginia Work Economics Workforce Program in our Commonwealth, the year before I got to be Governor. And I knew the advantage of being internally organized - to be externally focused.

The internal organization you have should match up with what you are trying to do in the world with real people. This internal organization was a disaster and both for employers but also for workers trying to figure out where to go to access services with something this complicated (indicating). And it was all very well-meaning people, in very well meaning programs but we have allowed this thing to slip off and actually fracture that it really wasn't doing the job. So now I understood why I was hearing what our business community kept saying about our workforce.

So, Danny LeBlanc. The legislature had charged me to put a cabinet level official in my cabinet focused on workforce development. Danny is from an organized labor background. He has been the President of the AFLCIO in Virginia and had been on every state Workforce Board, CETA, JTPA, WIA, back into the 1980s. He had been designated in all the associations. He had seen all the acronyms, all the programs. He had seen every Governor try to wrestle this thing into a smaller set and usually fail. Not because the legislature didn't want it, it was because we had a hard time getting our own state agencies' heads, and secretaries, to share, or unshared, power and re-coordinate things. So I called Danny into the office and I showed him this (indicating) just like I showed it to you, and I said, "You've been doing this for a long time, your job is to fix this thing."

So what Danny has done, and he is going to tell you how, is he has engaged in what has often been trench warfare within the administration and the agencies of the state government. In working with a great Workforce Council, a lot of levels who know what the problem is to have a Workforce Council member, to really try to coordinate and streamline what we do. And it's just so simple, I can't believe we didn't think of this earlier. Basically what we have said is the center of gravity of all of this is going to be the community college system.

The problem with this as a Governor is that if it's not working, who can I shake and tell them to do better? I mean, I've got my office to get on these people. But if everybody is in charge, then nobody is in charge. When you put somebody in charge and make them in charge, and then suddenly you can make them accountable. So Danny worked on Workforce for about a year and a half and he'll tell you how to take all the stakeholders and put them together and lead to a process where the chancellor of the community college system is also the Workforce guy for the state. The center of gravity for all Workforce is in the community college system. That doesn't mean that every program is offered on a community college campus. There are still some programs that are offered in different places but they are all coordinated by the Chancellor of the community college system who is responsible for how it all fits together.

There were some bumps along the way. One of the bumps that I thought was an interesting one from a policy stand point, was the welfare to work population. So that was done through the Department of Social Services. We heard, you know, welfare recipients are uncomfortable in community college campuses. Well, maybe that was legit. But what better place for somebody who is in the welfare world, to be in the community college campus, not only getting a little bit of job training but maybe deciding, hey, I can get a two-year degree here. And so there were some things that didn't seem to fit in the community college initially but as we got into it, we realized well, that's just based on some old preconceptions, we can really make these community colleges - in Virginia there is about 22 community colleges. Everybody in Virginia is within 39 miles of a community college campus. Every community college has a board that is heavily private sector. And so that is what we have done. And I can give the easy part, which is a description of that. I will let Danny talk for a minute about how he has been able to get the folks around the table. Here you go, Danny.

MR. LeBLANC: Thank you, Governor Kaine. First of all I want to thank Governor Manchin for starting this conversation last year and continuing the conversation and I know it will continue to move throughout the year as we move forward. I also want to extend, on behalf of Governor Kaine, gratitude for the partnership that we have developed with the Department of Labor Secretary Chao and Emily DeRocco, when she was there, as well as, Anita Jacob Simmons in the Philadelphia office. There has not been one thing that we've asked for for technical assistance and some knowledge of support staff, the Department of Labor hasn't come forward on. You should use the Department of Labor for their skills that they can provide you, and a lot of guidance. I want to thank you for that.

Now the Governor didn't really tell the whole story. He said, "Danny, I want you to make this document smaller so the next person that comes in as Governor doesn't have to deal with this," and he wasn't talking about reducing the size of the print. So what we need to do is develop a sense of urgency here. He had just finished a blueprint, an analysis of the skill sets that are necessary to meet the challenges of industry by 2012, the electrical producing industry is 2010. And we knew that we didn't have enough skilled workers to meet those goals.

So we also know that in Virginia, we are the only state in the nation where the Governor has only got one shot for a budget because he can't run it again. So that sense of urgency has to be created throughout the entire Cabinet, throughout the entire system. Well, it's like you know, breaking through wood, karate, you just have got to keep beating on it and beating on it. So what the Governor did after we kicked it around a little bit within his Cabinet, it's look, we need to have a sub-cabinet. And so Danny, you are the Chair of the sub-cabinet.

Now, as all of you know what undergirds a good cabinet is strong deputies, good policy people. So what a sub-cabinet is to determine are certain tasks each month, and within that 30 day period, the deputies got together and hammered out a good consensus document that all those could agree upon so that they can revote the next hedge point. Now how do you approach this to get by with it? Because the value of anything you are trying to sell has to be elevated to at least be probative, so businesses have to buy into this. Bob Webber going down there as the Chair of the Workforce Council was very, very, important. Putting the Chancellor of the Community Colleges on our Economic Development Partnerships -- so he could be there when the deals are struck so that we know what sectors and what skill sets are necessary to lengthen the economic development package. Have a strategic plan, and not one of your 30 different goals, but three basic goals. Structure is one, how to measure it at the end, and is the value to the worker and the employer there at the end of the day.

The last and most difficult piece of that after you've got economic development and workforce development working together and developing that strategic plan, is to take a look at the other states. We brought in seven states at the NGA Center for Best Practices. We thought it was good for us to examine them. We looked at all of them. And every one of them had a different approach but the most important piece of that was strong executive motivation, so to speak to get the cabinet and the agencies to work together. The strategic plan required us, and that's the next phase that we are doing, to have an integrated system in each of our 16 workforce investment boards. We've got 16 and a half months to go to round up and we're not going to be able to do 16, but we if we start at 16, we wouldn't make one. So the Governor signed on to the decision where he could do six, maybe eight, and we've got seven on the board now.

What do we mean by integrated? Not just putting them in the same building together. That's not going to add value. What we mean by integration is the covenant between these different money creation programs. So that when somebody walks in the door, you are not going to promote the signage of the agency, you promote opportunity career ladders and connections to those jobs that people need to grow to the middle class that so many of you have talked about here today. So it requires some hard work. It requires cost allocation across funding streams. That's a fun one. So that when you have common areas, each one of the agencies are responsible for paying for their fair share of it. We try to bring in all the agencies each year for an all-day retreat.

Again, that takes executive drive in this whole piece to make certain that there is value to the system. At the end of the day, what I believe the vision of WIA is and the vision certainly of Governor Kaine, is that we respond to the needs of our businesses and our workers, so that everybody has an opportunity to get that American Dream. Everybody has got a shot. That's the dream here. And also to provide people that never had opportunity in both - and I use the example that so many of you have done, and we've done that successfully so far in Virginia, is in the area of health care. Where people are coming off welfare and it's that lousy \$7 an hour job with no hope, and another \$7 an hour job with no hope, and another \$7.00 an hour job with no hope. But why not figure out in this sector how to get people from CNA to LPN to nurse. If a woman can survive in the ghetto and deal with all of the issues that impact her there and then to drive out and take care of old people dying of heart disease or dementia, certainly if you have the skill sets to survive in that environment, if you put her in a one-stop environment where there is a community college and that career ladder opportunity, that person can be a CNA or a LPN or a nurse. That's kind of like what's driving us here.

Last point: in industry, I'm a tool and die maker by trade. I went through a seven-year apprenticeship program. Businesses have to invest in their workforce. That apprenticeship program is vital. I was so fortunate to go to Mr. Petters graduation class with his apprentices. It's like going to a university graduation ceremony, caps and gowns and big, a really big important festival for the families. There was maybe 1,500 families there. What do you get for that apprenticeship program? The investment first, which you pull in the community colleges and you pull in all of your other assets in the community and what you get for that is loyalty from the workers. I have yet to tell you that nearly a third of those workers if they're certified by the US Department of Labor on that day when they got their journey person card, a third of them had an associate's degree from one of our community colleges. A good chunk of them were working on their bachelor's or had already finished. And there was a couple PhD candidates in that run. That's an investment that I think businesses ought to take a look at on its face. The government can't do it at the federal level alone. States can't do it alone at that level. There has to be a true partnership with industry and business and government and you have to put your money in there to make it happen. Thank you.

MR. CLINTON: Thank you. You know we encourage everyone to move fairly quickly. We are starting to get short on time and we still have some great people to hear from. Monesia Brown is the Director of Workforce Innovation for the State of Florida. Governor Crist, if you would like to kick that off?

GOVERNOR CRIST: Sure. I will do so, thank you. We have had some great success in Florida because of Monesia's leadership. When I got elected Governor in 2006, I had the opportunity to appoint her and she has done an extraordinary job as our Director. One of the things that she will touch on, in a much more detailed way than I will, is the fact that we are working with the business community and the public sector in order to make sure that things that we are trying to do with government match with what the private sector needs us to do. So with that, I will turn it over to Monesia Brown and I look forward to her filling us in with her knowledge.

MS. BROWN: Thank you, Governor Crist, in my ability to serve in this capacity for you and certainly for all of Florida. We did so many things in Florida and a lot of which have been touched on in various ways. I thought I would start out by talking a little bit about Governor Manchin's question of what do we call community colleges? In the State of Florida, we actually have banner centers that are very similar to community colleges but they are industry focused and we work with community colleges and the business community to develop them.

We do that determining first, what are the industry needs that are most relevant in that local community. We have roughly ten banner centers that exist today. The most recent one we added about three weeks ago. I think, it's all run together. But that banner center was based in digital media that has been a big focus of our Governor. We have health services and we also have homeland defense and quite a few different areas. But again, this is where we have been able to say what is the business that you are looking for and how can we best meet that need. We put this whole concept together to make sure that workforce is available to you. And for us, we have been asked to look at, specifically, how are we involving the business community in our decisions to make sure that we have the workforce to meet their needs. And we found, and looking over what we have done over the course of the last year and a half, we have really focused on three different areas.

First, leadership, second has been partnership, and then third, access to services. And I will start off talking about leadership. Under Governor Crist's leadership, we have had several great successes. I'll just point out a few of those because I think it just kind of sets the tone for what we have been able to achieve in Florida.

First the Governor recently identified world-class talent as the number one driver of our state's innovation economy. With that, that sets the tone for our education, our economic development and workforce, to really pool our resources so that we can talk jointly at reaching a common goal and it helps break down those silos that you have been referring to. We have decided that world-class talent is critical and the backend of that is what are we doing together to pool our resources to make sure that we can, to make sure that that continues to be a focus. Working with the current legislature this past legislative session, the Governor approved \$10 billion coming in to focus on creating jobs and that includes training. One of our examples is quick response training. It's a big deal for us. That if we are going to be bringing businesses in, we want to make sure that we are readily available to assist them in getting the resources that they need at the door. If we don't pool our resources, then they don't feel those resources are ready to go and that workforce isn't going to meet their needs. We risk losing them. So we want to make sure that to the extent that we have funding and programs to assist them in getting their workforce up and running very quickly, that we are right there and ready to help them.

Also we made a significant commitment not just to make sure the workforce is strong but we want to strengthen the families and make sure that ultimately our families feel like they are supported by the services that we have and they will continue to stay in Florida. They will work hard. They will have that type of interest and they will be successful in our economy. And obviously, that makes it a better economy for all of us. Recently, the Governor has also focused on aerospace, aviation, and energy and training commitments. That's one of our great leadership examples, where when he is talking to businesses about coming to Florida in the cutting edge areas, we are also talking about what kind of jobs those are but are we bringing those jobs in or are we going to be able to prepare the workforce that we have for them. So there is lots of interactivity and again it's kind of having that leadership at the top that helps us all make sure we are directing our resources in the same direction. For us, international business is critical and we are competing globally. We recognize that. And it's not one of those things that sits on the shelf behind us. We talk about it every day.

In Florida, international business represents 1 million jobs, 39 thousand companies, and nearly \$115 billion for our economy. So it is absolutely critical that we continue to have that kind of leadership and I think that that will make a huge difference. Secondly, partnerships. We could not do what we do in the workforce arena without the partnerships of business and economic development leaders. Recently, the Governor named 27 new Board Members to our State Workforce Board. It is a policy making board which is very unique. I think that we are one of just a couple of states that actually have that type of structure in our system and it has lots of great benefits. We have business leaders from our head of the employment chamber, we have our community college presidents represented, we have major industries, especially the cutting edge industry employers, and they are all represented. This is the thing that will help us direct our resources. Again, they will dictate the policy on what we are doing to meet their workforce demands.

And again, I would like to reiterate the Governor's thanks to Secretary Chao for coming to Florida. I know that is a significant time that she has dedicated to heightening the awareness of the importance of

our partnerships. And the federal government is just one of our many partners. We work daily with business and education, economic development, our federal, state, and local partners, as well as the communities and we are looking at traditional as well as non-traditional. We, in fact, I was just sharing with the Governor that I will be meeting in the next few weeks with our Secretary of our agency for persons with disabilities to talk about how some of our partnerships are meaningful. That is absolutely critical to your success.

One of the examples of our successful partnerships that I thought that we would want to share is our career of professional education program. This was legislation that was enacted in 2007. You've probably heard about it. We've talked about it before. But it's just a phenomenal program that I am really excited to have that happened under our current administration where we have businesses working with the local school districts to develop the curriculum so that when the students are graduating from high school, they are graduating with industry certifications being taught by these professionals in the business world. They are also graduating with diplomas. And they are getting college course credit along the way. It is just a phenomenal program and I had the benefit of going to visit at least one or two of them and the energy from the students is just incredible. Quite frankly, I think that's one of the areas that we don't talk enough about is how are we motivating our students to get excited about workforce. And that's just a program that I think we are going to see how does it work. It's one that is actually required now by all of our 67 school districts to develop at least one career academy by this fall. So in the coming weeks we will be seeing it really going statewide.

And lastly is access. For us, we talk about it all the time and certainly coming in last January, for me, the challenge was how do we tell people what it is we do. How do we tell our story? And that it's not just making sure that the people who need our services, the workers, hear about our programs but also making sure that businesses know that we exist and that we are available as a resource. So for us, having meetings with our chambers at the state level and using their membership to get the word out on various programs. We have countless amounts of labor market information that we share every day, but if people don't know that it exists, then it's not really a useful tool.

So we try to get it out to our economic development community and try to partner with them and tell them we can sit at the table with you when you are looking at expanding your programs or you are looking at how you are going to attract the workers in a certain community. We can help you figure out where that workforce is coming from. Is it coming from a particular region, or would you be better served somewhere else in the state where that workforce already exists? So making sure that we have those discussions with the business community and the economic development community is critical. And then obviously, we want to make sure that the people know about our services and we have 88 one-stop centers across our state.

We have at least 18 one-stop mobile units. We believe in taking the services to the people who need them. For us, that is absolutely critical. We talked about that just this week with the Governor. We take the mobile one-stops to the job fairs, to high school campuses, to military installments, wherever there is - senior centers, so that we have onsite accessibility to jobs for the people of Florida. So for us, those are pretty critical comments and I hope that I have given you a little bit of insight to what we do.

MR. CLINTON: Thanks. We have 20 minutes left and we have several states to hit. So I know Louisiana is right in the throws of major reorganization. Camille Pampell Conaway is the Senior Policy Advisor to Governor Jindal. Camille.

MS. CONAWAY: Thank you. It's a real honor and privilege to be here right at the very beginning of what many other states are already in the midst of performing. Our old chart that we inherited six months ago was very similar to Governor Kaine's chart. And to get our reform process started, we began by convening all the various state players, our cabinet agencies, but also executing our major focus on the business and industry, bringing them to the table. We introduced a legislative package.

This is the five major components where we were able to have both business and industry, organized labor, our full cabinet, community colleges, and K through 12 education, sitting at the same table backing one legislative package that they passed unanimously in June. So it was at the very beginning of the major reform initiative and the hard work that is in front of us, that we are very aware of, but just to talk about streamlining for a moment, which is one of the five components.

We have reorganized, and very similar to what Governor Kaine described, we appointed one point person to consolidate our workforce programs and we said co-application is not integration. We want to coordinate both programs and funding streams looking at interagency agreements across cabinets, agencies with associations to education, through economic development and how we can coordinate those under one umbrella. We also are looking at the local level. How to incentivize our workforce investment towards operating regionally, rather than one of community focus.

And a second fact, interestingly right after Hurricane Katrina, in the recovery effort, our WIRED workforce investment was there for four of them and consolidated them under one -- with the understanding they have to be operating with a more regional focus for these activities and so forth. So they were required to be of a more regional focus by the state. I am very much looking forward to speaking with you all who have already gone through this process. It is slow. It is cumbersome. It's a challenge and we are looking forward to making an impact over the next couple of years. Thank you.

MR. CLINTON: Thank you, Camille. We have Helen Mountjoy who is the Secretary of the Cabinet in Kentucky. Governor Beshear, would you like to introduce her?

GOVERNOR BESHEAR: Thank you very much. As others have said, when I came in seven months ago we had the same organization chart that Tim held up a minute ago. And we have 17 major programs that were spread over major cabinets. I charged Helen Mountjoy, who is the Secretary of our Education Cabinet, to tackle this problem and I must say that instead of finding pushback from all of these groups, we found a high level of excitement about becoming tougher and finally getting things organized to be as effective as we can be. Helen.

MS. MOUNTJOY: Thanks. When I came back to Frankfurt last December it was as Secretary of the Education Cabinet. In May, I became the Secretary of the Education and Workforce Development Cabinet. Because Governor Beshear understands the connection between workforce training and education and income development and the need to create a system in which our workers can move seamlessly throughout their career, from training, to further education, to advanced employment, and back again, all on their time, in their place and in the areas that are going to help them build true

advancement. I was asked specifically to talk about what we can do to offer training anytime, anyplace, to our folks. And frankly, in this day and age, that's the easy part. Anybody can put up a course and offer it anytime, anyplace, to anybody who wants to participate in it. The trick for us is looking at how we can meet specific needs that engage the business sector and engage the various portions of our Commonwealth because we have different needs for training different skill sets, different sectors of the economy that are prevalent in each of them that can be flexible so that it can change as the needs change within our communities, within our businesses and that it can be engaging. Because working by yourself in an educational program trying to advance your skill is lonely and difficult work. And it's not something that everybody can do easily.

Now in Kentucky, we try to look at the specific needs and then backfill from there in the types of programs that we can offer. So in our P16 Councils at the local level, we require not only educators and workforce development specialists and trainers to be a part of those, but union members and business people and private foundations and anybody else that we can bring in the conversation, so that we have a community vision for what needs to happen on a go-forward basis. Once we have done that and established priorities that are going to engage the work, then we try to get out of the way and offer support for them to develop the kinds of things that they need to have.

One of the first things that we discovered was that our educators did not have a clue as to what was happening in the business community. It wasn't their fault. They came straight out of the classroom and went straight back into the classroom. So how do we get them into our businesses to see how the concepts they are teaching, especially in stem areas, are actually implemented in the workplace? So we take them on field trips. We offer them professional development. We offer our employers opportunity to talk directly with the educators at both the P-12 and the post secondary level about what they are looking for in employees. They talk specifically about the need for problem solving skills, analytical skills, communication skills, and teamwork skills. All of those are things that our educators need to know about.

Well, we offer E-Learning beginning at kindergarten and continue it through adult education and into workforce training. We have the Kentucky virtual high school that offers 58 different courses including 22 AP courses and four years each of four different languages. Kentucky has got 650,000 students in P-12. They are scattered across 175 different school districts which means competition for physics teachers and math teachers and foreign language teachers is fierce. We can meet the needs of students in any part of our state through the virtual high school. By offering students an opportunity to study at their own pace, within certain guidelines, and with contact with teachers on a regular basis to gain those skills that will prepare them to move on in the areas that we need as they move ahead.

We also, by the way, use these for our teachers and have found some of these programs to be extremely helpful, particularly for teachers who are under emergency or probationary certification, special education. That's something that all of our states are struggling with is finding and keeping enough special education teachers. We have had virtual adult education since 2002. We have total GED training. We have pre-GED courses. We have transition courses to take you from GED into college level work. All of which can be accessed 24/7, 365.

We also offer employability certificates. Some of the things that Georgia was talking about doing, making sure that the things are aligned for our workers with WorkKeys in particular, that more and more

of our employers are relying on. Our public television system in Kentucky is unique in that it has taken its education role very seriously. In addition to airing programs on TV, it's developed multimedia types of programs for students of all levels. You might have seen things like Facebook, ustream.TV, IPOD broadcasts, any way to engage people in the new technology and in new ways of learning.

And in Kentucky, we require as part of our core content for graduation from high school, an emphasis on the arts. Well, a lot of our students will never see a live performance in person. So KET, our public education television, has prepared an amazing series of supports that teachers can use. Most importantly, our Kentucky Community and Technical System has really stepped up to the plate in organizing and delivering courses, those not just leaning toward an Associate's Degree but just in time training to meet the needs of specified industries as they move into our area or as they retool in our area.

We have modular programming that is offered and it's offered in chunks. We know that some of our adult learners can't stay focused in these new learning environments for long periods of time. So these modules are in chunks that can last anywhere from two and a half weeks to fifteen weeks depending on what we can do to advance that.

We developed these programs in connection with Toyota to do advanced manufacturing for the automotive sector. We are growing out some major expansions over the next twelve months. Part of it is driven a base relocation and consolidation activity that Army has introduced us to over the last several months and we need a lot more people in a very small area who are trained in Human Resources. And we are developing modular training that people can access. We also have a course on Army speak that's included in that so they are actually prepared to move directly into these courses. We do offer things that are relevant and the last one I'll mention is the fact that we do have, online, the ability for our nurses to progress with their training. You can go from a CNA to an LPN to an RN all online with virtual labs and with consolidation and consideration from the local hospitals. Thank you.

MR. CLINTON: Thank you. A number of our states have very special challenges as Governor deJongh alluded earlier to the special challenges of island economy. You have Paul Arnold, the Economic Development Coordinator with you. Would you like to address those challenges?

GOVERNOR deJONGH: One of the advantages I had when I entered this job is that I knew exactly what I didn't want the organization to look like. I had previously done a strategic plan for another Governor and I served as Commissioner of Finance under another Governor. So I understood exactly what the structure looked like and where I didn't want it to continue to be. At the same time, I, at one time, served as the President of the Chamber of Commerce for three terms. So I knew exactly where the capabilities were with respect to what was necessary in our business community to achieve that.

So the question was, how do I push and pull at the same time to achieve the objectives of utilizing our tourism economy as a means of investment until we transition into something that is more knowledge based. That required us to look at our workforce investment board, which I reorganized, and I put on there a number of individuals from key industries. One particular gentleman builds yachts within the Caribbean. At the same time, making sure my Commissioner of Labor, was also, at that time, on that board. And to make sure that the businesses that we attracted as part of our economic development program could match the skills that were required. I made the Commissioner of Labor Chairman of my

Economic Development Council, who approves the businesses coming in. This past week, we got our Commissioner of Education to sit down with the business community and discuss with them what exactly they need and what they are looking for in the future. In order to bring all of those individuals together and make sure they are all on the same path, I recruited Paul Arnold to be part of our team. He works out of my office, but at the same time he is at the Economic Development Authority. Paul previously had served as our Commissioner of Labor when I was the Commissioner of Finance, so we served together, having served also as one of the Human Resource Managers for one of our largest employers. So having an individual that understands government but also understands the private sector and how you could push has really been what we have been trying to do. I'll let Paul tell you what He's been accomplishing.

MR. ARNOLD: Thank you. As you know, it is quite challenging having a small population separated by water and so sometimes duplication of services becomes a real challenge for us. And both island economies are based very differently.

St. Thomas is primarily tourism, and St. Croix has been emerging from agriculture into manufacturing. We have one of the largest oil refineries in the western hemisphere. And so what works for us very well to meet the needs of employers, as we have done through realignment like we have been talking about a lot, is we have been using a lot of customized training programs. Very simply, we got to get input in and get a customized training program with the process of upgrades in that plant. The oil refinery has been able to work with the university and develop a process to operators in the program. Some of the things we have been looking at we got involved in because the oil refinery needs a lot of maintenance and workers. And we realized that all of these workers don't really need a high school diploma. So we looked at early career path development education from around the eighth or ninth grade. Because there are so many dropouts after the sixth grade for males, that we thought if we started picking them up a little bit earlier and teaching them some skills, then by the time they get to eighth or ninth grade, even if they drop out of school, they will have some marketable skills. We have also been very successful in attracting a company that is building pleasure boats. And they have been growing really rapidly, and again, this is where we are doing customized training programs. So that is what has worked for us very, very, well and continues to because we do have an incentive in our Development Commission where new businesses get tax breaks and as part of that, they are required to employ X number of workers. And so we have been working with them on things. One the things that I have been working on is closing that gap between what the needs are and how to satisfy them. Basically, that is what we have been doing well.

MR. CLINTON: Thanks, so much. We have got five minutes and we are going on a rapid close here with our remaining three states. First Peggy Torrey, the Deputy Secretary of Workforce, South Carolina. Peggy.

MS. TORREY: Thank you, Jim. I am honored to represent the business community and Governor Mark Stanford. I am so excited to be here with you all today. Let me just tell you that one of the growth spurts in South Carolina right now is the engagement of the business community in this alignment effort. The year 2005 was absolutely critical for us. We passed the Education and Economic Development Act, I'll tell you a little bit about the results here in just a second. The Governor also began the consolidation efforts all workforce programs under the department of commerce.

I moved from the State Chamber of Commerce to the Department of Commerce to make sure that business voice and opinion was heard. In the interest of time, I'm just going to share some of our results. Consolidation is ongoing, implementation of the act is ongoing but here is where we are so far. Our Workforce Investment Board has a regional plan focused on alignment and increased business services. In 2006, we increased those services to customized training and on the job training funding at 275 percent. This past year it was an additional 287 percent. We have invested in incumbent worker training. Governor, I know you talked about that and we've actually taken reserve money and gotten waivers from the feds to use local money in that interest. And in the last two years, we have saved on 8,000 jobs according to the businesses themselves and we created over 1,000 in that effort. Our return on investment, if you assume that those folks only have minimum wage jobs, and they have much more than that, some of them earn \$30.00 an hour, that is over 2,000 percent. It's incredible for the economy. It's an incredibly good investment for us.

We have a new initiative where we are using rapid response money in layoff diversion. We are partnering with our south manufacturing extension partnership to do pre-feasibility studies. We are looking at reconvening wage, which means when you know about it, you come in and do whatever training is needed and using rapid response money to do that. We're making a great effort there. The Education and Development Act, very quickly, every high school now is offering at least three clusters with electives that have been developed by our business community. A state led business board and local regional boards continue to lead that effort. Every eighth grader leaves eighth grade with continued career exposure, and an individual graduation plan that has four electives in one of the 16 national clusters. Every high school now places students in external learning experiences, on the job, through an electronic board which businesses post those opportunities. We have higher ed at the table. They are aligning course work better and actually putting a system together where you can look at what will transfer online, as a parent and a student. We have a lot of good things that I could talk about but I know my time is limited. If you are interested in the processes we use to get to these results, we will be glad to talk with you further.

MR. CLINTON: Thank you very much, Peggy. Tommie Dale Favre recently traded to the New York Jets but is still maintaining her own in Mississippi. She is the Executive Director of the Mississippi Department of Employment Security.

MS. FAVRE: Yes. And I won't take up as much time as they have taken up with Bret over the last few days on the television. But I am always excited to be a part of a panel like this. My Governor, though he had to leave, will be sure to ask me what I've learned and what I am going to do as a result of what I learned when I get back home. So I have learned a great deal and taken copious notes since I have been here.

Quickly, I was asked to talk about STEM, particularly. We've got a lot of things going on for a number of years. With a Science and Math School located at one of our universities, for juniors and seniors in high school, we have partnerships with NASA that we are very fortunate to have. And the Center for Science, Math, and Technology located at Mississippi State University. But more importantly than what I think is that we have in place now within the Department of Education an emphasis on career pathways and the emphasis, which begins in the eighth grade for STEM. I think the career pathways is the first time, really since the Nixon effort, that moved the Department of Education, to work toward guiding students so that beginning in the eighth grade, they can determine a career pathway and they can

determine whether they want to be an engineer in the shipbuilding industry or whether they want to be a pipe fitter and then their curriculum as they move forward will be designed for those careers.

There is still a lot of work to be done there. Dr. Bounds, when he came in as Superintendent of Education he had to direct this new decision and we look forward to working with him further so that at the state workforce board level we can integrate with his plan.

And I also just want to say one thing, I have been on the job for four years, and it is just this year that I feel like when I go to a state workforce board meeting we are all speaking the same language, we are all anxious to come to the table with each other and work towards not only integration of services but accountability. And like some of the other states here, we now have a system in place where we can track what courses a person has gone through, what certificates they've got, which agency their training dollars were funded through, are they still on the job six months later and have they gotten a salary increase as a result of the training and the jobs that they've had and which industries their training actually supports.

We are very excited about that. I think that's one thing that we have to share with other states. Thank you for that.

MR. CLINTON: Thanks, Tommye. Finally Matt Kisber is the Commissioner of the Economic Community Development and Volkswagen driver.

MR. KISBER: GM too, as well as Nissan. We love all of our companies. Let me tell you thank you for inviting me to be a part of this panel. In the interest of brevity, I won't go into all of the different things that we do that are similar to what's already been stated this morning. What I would like to do is touch on two or three important points from the strategies for the State of Tennessee.

The first is when Governor Bredesen came to office, he charged all of us that worked for him to look at state government from a different perspective. And look at it not from how it had been in the past, here's what we do, tell your customers to figure out how to use it, to understand what the needs of your customers are and then take your programs and make them work to address those needs.

And it's that approach that we've used to create what the Governor or what the Governor created called the jobs cabinet, which brings education and economic development in the open. Organizations in government together that works as a team both on economic development projects as well as state policy. That's been a critical component of changing, successfully changing, the way in which we do business.

Because those people there at the table with us hearing from the businesses firsthand what it is they need and how it is they need it delivered. From those discussions, the Governor engaged a series of roundtables last summer. Talking to business CEOs, both large and small, about education, workforce development, and the expectations of the employers and how they are engaging those expectations with the educational community. What became clear was there is a disconnect, but more importantly than the disconnect, there was a lack of challenge and expectation around the standards that we have to ensure the students who go through our educational system are prepared for the job training opportunities and the skills that are required to support the kind of jobs we all are attempting to recruit. So the Governor

took on what is going to be a real long term effort that will require future Governors to be supportive as well and that is raising the standards in our schools, raising the curriculums, putting in more math and science, putting in the challenge that the business community has to help on the local level in helping the school boards recognize what they need to do in order to help produce the workforce that's going to be required to court these higher skilled, higher paying jobs. It's been quite interesting.

The state school board just recently added a number of extras to the school standards and a whole host of other activities going on. And hopefully, at another time we will have the opportunity to discuss, and that is the core values for which our strategies are developed.

MR. CLINTON: Thanks and I apologize to those of you who had to compress so much, but thank you for doing it. I hope everyone got a feeling for just how committed this community of colleges and coworkers are. There is a remarkable amount of work going on as the private sector has pointed out to us so clearly. There are remarkable amounts of challenges. Thank you all. Governor Joe Manchin.

GOVERNOR MANCHIN: Thank you, Jim. We thank you so much and we appreciate it.

(END)