

pending approval by  
Gen. McKissock  
(sent 11/5)

North Carolina Military Affairs Commission  
Minutes of the August 26, 2014, Economic Development Committee Meeting

**VOTING MEMBERS PRESENT:**

Cresswell Elmore  
LtGen Gary McKissock, USMC (Ret)  
Josh Glover (by phone)  
Joy Thrash (by phone)

**EX-OFFICIO MEMBERS PRESENT:**

Bryan Gossage (by phone)  
Mary Beth Fennell (by phone)  
Nat Robertson (by phone)  
Sebastian Montagne (by phone)  
Rebecca Rogers Carter (by phone)  
Paul Friday (by phone)  
Bill Meier  
Beth Barton  
George Miller  
Ralph Leeds  
Cornell Wilson, Jr. (by phone)  
Diana Wade (for Mary Beth Fennell by phone)  
Sheila Pierce  
Dan Oliver  
Scott Dorney  
Dr. George Millsaps  
Rep. George Cleveland

**ADDITIONAL GUESTS:**

Mickey Finn, NCMBC  
Kuldip Wasson, Sr. International Trade Manager, Economic Development Partnership NC  
John Loyack, VP Global Business Services, Economic Development Partnership NC (DoC)  
Rick Hill, Sr. International Trade Manager, Economic Development Partnership NC (DoC)  
Kimberly Lindsay

1:00 Chairman Gary McKissock welcomed all, called the role, and had attendees introduce themselves.

Chairman McKissock discussed present achievements to date, including in-state tuition for military personnel, their families and veterans. How can we improve the process of connecting the departing service member and employer with a job to fill? We have found that many professionals are deeply involved in this process, replete with gaps and omissions. There is a vast variety of job sites attempting to make the connections. This led to a strategy that included getting the human resources professionals involved and endorsing a website to which transitioning personnel can be directed. Chairman McKissock invited Ms. Lindsay to discuss progress made with the employment initiative program since June.

Ms. Lindsay provided an overview of her prior background with Virginia Values Vets and gave a progress update of the transitioning military-to-employment project. The current model for employment programs are centered around the service member, while a successful model puts the employer at the center. Employers need to be aware of the success that service members have in driving bottom line results. How do you educate the employers and change the perception of hiring military? The two critical pieces are: HR and strategic leaders. Strategic leaders set the vision, and the HR professional executes it. Typically, it is small-to medium-sized businesses that hire veterans. Society for Human Resource Management ("SHRM") members attend monthly meetings for continuing education credits relative to their annual recertification. These meetings are opportunities to educate the HR community and present videos prepared by Governor McCrory to endorse hiring veterans in addition to providing other tools. SHRM has voted for a military liaison coordinator position at the state council level. There will be one at each of the 18 SHRM chapters. How do we educate strategic leaders? There will be half-day teaching sessions, statewide, that will show data such as a higher retention rate among veterans than the general population. The Governor has agreed to do three keynote speeches to SHRM for the first 12 months. Duke University, SAS, Wells Fargo have agreed to sponsor this program. The first goal is the hiring of 6,000 veterans in 24 months. Updates will be provided to the Governor's Working Group and to the NC MAC. The Governor will also do video messages to shown during transition readiness seminars to transitioning personnel to encourage them to stay in North Carolina. Ms. Sheila Pierce pointed out the benefit of using the video messages as PSA's to be used by Economic Development Partners. Presently, one of the goals is to narrow down the choice of job websites to two platforms, i.e., NC Works and Hero2Hire. Chairman McKissock added that the military host cities are establishing a committee to continue discussions including the subject of inducing the military spouse to remain in the State.

Chairman McKissock briefed the Committee on discussions with LtGen Harry Blot, USMC (Ret). When asked how long there is an open window of opportunity to influence decision-makers on F-35 supply chain management, Gen. Blot's response was approximately one year. Cresswell Elmore continued the briefing and showed a 3-minute video clip on the aircraft. Despite false starts with the Lightning II, Lockheed Martin has met major milestones over the past 3 years in correcting deficiencies allowing the program to advance to LRIP 6 in the program. All three Services have been given their initial operating capability dates and first production aircraft have been delivered to all three. Next, is targeted-weapons testing, which is presently underway. There are eight international partners involved in the production and purchase of the aircraft. This assists in reducing research and development time and costs. Israel and Japan have signed FMS cases, with some assistance being provided by the United States. Korea is in negotiations but has not yet signed an FMS case. North Carolina has 10 suppliers, with approximately 735 direct and indirect jobs, having an economic impact of roughly \$16.4M. The aircraft was designed with sustainment in mind. The key system of the aircraft is ALIS, or, Autonomics Logistics Information System, which provides prognostics testing of needed maintenance and downloads codes through its network for maintenance actions. Spares and support equipment can be provided readily with short turnarounds times. FRC East is the site designated for the F-35, and one of the only ones on the eastern side of the U.S. Unique features to the aircraft are electronic warfare, health monitoring prognostics capability, low observability, etc. It would be good to identify someone with a suitable business background to create a marketable package for vendors and suppliers, to examine the workload that could be attracted to this area, as well as locations for warehousing and storage.

Chairman McKissock announced a brief break following which the Committee reconvened at 2:30 PM.

NC Military Affairs Commission

Meeting of the Economic Development Committee, August 26, 2014

Page 2

Chairman McKissock led a discussion on the effects of minimum wage increase and public/private business opportunities aboard military bases. Vendors with contracts with installations will receive the brunt of the impact of this increase. The DoD and some agencies of Homeland Security are required to purchase U.S.-made products from US materials, which is helpful to the textile industries in the State.

Credentialing. The Committee will be working on how you connect the licensed or certified worker to the job, and filling in any educational/knowledge gaps. Chairman McKissock introduced Dr. Millsaps of North Carolina Community Colleges, who addressed the Committee and discussed SB 761. There are three groups impacted by this bill. One of those is the transitioning military member that may be an MP that wants to become a police officer, e.g.; the next is the spouse of the military member that finds that their credentials in a previous state of residence do not carry over in NC; another example is the National Guard who train the individual who may have to find a job elsewhere. This takes the investment out of the State. The Bill covers four areas: Civilian credit for training and experience that will go toward education, knowledge gap training to facilitate licensing, college credit for military training and experience that is transferable within institutions of higher learning, and finally, how it is paid for. In NC, each licensing board has its own domain that sets its own requirements. The licensing boards have until January 1, 2015, to identify their criteria to satisfy any training differentials. That then allows the college or university to design training to fill that gap so that they can get their license. Spouses who have been licensed elsewhere must be notified in thirty days of the State's requirements for licensure in this State. Certain training does not lead to a degree, but rather to a job. The VA typically pays for degrees. In North Carolina, we have a state approving authority. While others states have allowed knowledge-gap training, NC has not. The training must be authorized to be covered by the VA. College credit for military training is somewhat different. There are degrees that are intended to be transferable and degrees that are not in the community college system. So, yes, there are terminal, two-year degrees. It does not have the same academic type of learning that a transferable degree does. Part of it is getting people the 2-yr degree if that's all they need, but if they intend to continue to a 4-year, masters or doctorate degree, to ensure they get the transferable type of training and credit they need. We have articulation agreements with the University of North Carolina. We now have to determine how to link that training experience so that it flows from the community college or military to the university. We have no control over Southern Association for Colleges and Schools ("SACS"), the school accreditation agency. We are working with them to accept more prior learning applied to a final degree. In doing research, this State is somewhat behind but able to catch up. UNC and NCCC will take that information to colleges and universities to observe what and how they do what they do. September 1 is the first reporting date, and the second is the end of the calendar year when the final plan is due to the General Assembly. We won't know the gap according to what licensing boards say until after our plan is sent out. There will be a phased-in approach following release of the licensing boards' reports.

Chairman McKissock stated that we will get the stakeholders together to discuss.

Ms. Lindsay added that it would be helpful to be able to anticipate 6 months in advance the available, in-demand employment and military personnel with coinciding transition dates to be able to connect them.

Dr. Millsaps added that President Ralls requested that the Board approve a special allocation from the State Board funds to ensure that this project gets off to a good start this year and to fulfill NCCC's role in the process.

According to Sheila Pierce, Jacksonville Onslow Economic Development has been working on a project; while their job is not hiring exiting military but rather economic development, recruiting and helping existing industries, they do work closely with the bases to identify the shadow workforce, i.e., what was separating out of Onslow (Camp Lejeune, MCAS), to identify that by MOS to look at comparable skills providing a track record with four years of data showing separating MOS's out of Onslow County. We are hoping to use that data to be able to recruit businesses to the area who think that the workforce does not exist.

John Loyack of the Department of Commerce briefed the Committee on the State's programs to recruit defense-related industries. He announced that he, Kuldip Wasson and Rick Hill are branching off from Commerce to start a non-profit that will allow them to carve out the sales and marketing efforts of Department of Commerce and form a nonprofit or public-private partnership (Economic Development Partnership of NC). There will be travel/tourism, business recruiting and global business services. They offer free small business counseling through a team called BLNC, who helps small businesses get started in NC. They will work closely with local economic development. There are 8 regions that will have an office in each to work directly with local businesses, community colleges, etc., but there will be an impact both domestically and internationally. There are six international offices with personnel working specifically for North Carolina to attract investment: Shanghai, Tokyo, Hong Kong, London, Toronto and Mexico City.

Chairman McKissock invited questions. Scott Dorney requested that a common base access policy be referred to the NC Commanders Council. Contractors are having difficulty getting through the gate without clearance and lose man-hours trying to get on base and cost for background checks.

Following an invitation of comments and questions, Chairman McKissock adjourned the meeting at 3:30 PM.