

MINUTES OF THE 19 NOV 2014 ECONOMIC DEVELOPMENT COMMITTEE MEETING

Members in Attendance

Lt. Gen. Gary McKissock
Cresswell Elmore
Joy Thrash (via teleconference)

Others in Attendance

Kimberly Lindsay, City of Jacksonville Human Resources
Scott Dorney
Beth Barton
Ilario Pantano
Dr. Freda Porter

At 1:00 PM, Chairman Gary McKissock called the meeting of the Economic Development Committee to order. He gave welcoming remarks to all and reviewed the day's Agenda.

Mr. Ilario Pantano: NC Division of Veterans Affairs Update

State Director of Veterans Affairs Ilario Pantano presented highlights of activities by NC Division of Veterans Affairs.

- NC DVA is presently working four agenda: interagency reform piece tied into working group, intra-agency reform piece, a new communication strategy, and a legislative agenda.
- The Veterans Resource Guide was announced by Governor McCrory during Veterans Week. The first edition of the Resource Guide was paid for by Department of Health, and Department of Commerce is willing to print additional volumes for issue to separating service members and TAPS. 25% of the Guide is Department of Commerce-based, i.e., job functions, access and locations for NC Works, non-profit organizations, NCMBC and NCDDBA are included. NC4vets.com is a one-stop shop where this information is available digitally.
- The Governor's working group has met consistently since April. It brought together state agencies, and we are considering how to make it more effective. We are submitting a number of legislative requests focused on employment to the General Assembly. Our first focus is on getting the State to be biggest employer of veterans leading by example, and then go to the private sector.

Chairman McKissock offered the Committee's assistance in endorsing that legislative initiative, and asked that Mr. Pantano be sure to forward information to Darryl Black of Senator Harry Brown's office.

Dr. Beth Barton of MCCA Camp Lejeune, Marine Corps Community Service: Pathways to Employment in NC

- Dr. Beth Barton briefed the Committee on discussions with the Governor's office talent acquisition team to find ways to connect exiting military with state jobs.
- Dr. Barton's office will teach separating personnel how to complete the KSA section of the State application.

- The State is interested in finding ways to highlight veteran preference on applications. The State averages 450 open jobs every week.
- There is a need to develop a quick-screening method other than by college degree, which eliminates many military personnel from the running.

Mr. Dorney stated that the Office of State Personnel used to use a platform with FTP (file transfer protocol), which allowed Matchforce to be able to filter job vacancies within the State. Can the new state system be made compatible?

Mr. Pantano noted that we had discussed using H2H and NCWorks tools in combination with the DoD platform and the State platform. He explained that they have now shut down that platform and the E-benefits site is all that exists.

Ms. Kimberly Lindsay: Update On Veterans Transition to Employment

Ms. Lindsay highlighted her background, gave updates and statistics:

- 27,000 military exiting over next 12 months
- 120,000 jobs in the State
- Majority of veterans will be employed in small-to-medium-sized companies
- small business centers and transitioning personnel offices have been added to the model
- military liaisons for 12 of 18 chapters of Society of Human Resource Managers (“SHRM”) across state have been identified
- Dr. George Millsaps and Dr. Beth Barton will be added to the team of the Governor’s working group
- A presentation will be given at the December 5 SHRM meeting; break-out training sessions will be held
- Ms. Lindsay will meet with Mr. Will Collins, Futures and IT to investigate creation of a software program with a career latticing platform that weaves data and pushes it out
- Dr. Barton is piloting a hiring event with advance employer/employee matches and telephonic interviews
- Move toward goal of military matching/hiring events occurring prior to exiting service

Dr. Barton explained that in April of 2012, a commandant realized offering one path of employment was not meeting needs of exiting personnel and decided to revamp this approach to be increased to 4 pathways: 1) College, 2) Entrepreneurship, 3) Technology, and 4) Employment. Coastal Community College teaches entrepreneurial pathway while the Depart of Labor teaches employment pathway. Only 40% of transitioning personnel take the employment pathway. Education about the other three pathways must be included.

The Committee discussed the Futures platform, which also dissects educational opportunities. Community colleges do this through Pipeline, which identifies gaps and omissions. Chairman McKissock suggested it would take the mystery out of hiring military by marketing to the employer by way of a YouTube video that shows the service member demonstrating what they have learned in the military and the skill set they offer to the employer that is seeking those skills. Is this something that the State university(ies) could put together?

Mr. Dorney proffered that employers do understand the value of hiring vets – they have the desire – they do not have a clear understanding of what soldiers do – what is needed are the specific actions and tools to translate desire to employment.

Mr. Cresswell Elmore: Update and Discussion of Way Ahead of F-35 and Other Aviation-Related Business Opportunities

Mr. Elmore has been talking with Stuart Ruffin and Tim Ivey of Economic Development Partnership North Carolina (“EDPNC”), and has tried although unsuccessfully to make contact with Richmond.

- Planning a meeting for the week of January 20 with UTC, Harry Blot, Tom Bratten, Jamie Norment from ACT, Tim Downs and others of Craven County.
- Would like to hand off the project to someone that will take this forward with our support to get behind the F-35. Mary Beth Fennell at FRC wants to see this happen.

As of today, not much more has taken place relative to working this matter.

Chairman McKissock suggested that a meeting prior to January 20 should take place between Congressional Delegates and State representatives in Raleigh, defense logistics agencies, Elizabeth City depot, to introduce themselves and have a strategy meeting on what the next step is. This Committee’s role is to enable this to take place. Commerce should be front and center on this. UTC said they have extreme interest in making something happen in NC and get activity in eastern NC.

Chairman McKissock spoke with a defense logistics agency program manager. There may be some interest from a small DLA businessman in the Agency; he suggests January 14 for a meeting to get everyone in one room. The Chairman will get something out setting the meeting. He discussed this matter with Darryl Black this morning. They do not have problem getting someone from Legislature there, per Darryl. There are hundreds of millions of dollars in this.

Mr. Elmore added that the F-35 fan section and engine alone constitute a \$450M industry.

Scott Dorney: Presentation of Economic Development Initiatives, Strategies from the NCMBC

Mr. Dorney presented to the Committee highlighting key points of a power point presentation originally presented to the General Assembly and full Commission in spring of 2013. He suggests that the Committee take a few things worth focusing on, talk to Darryl Black and take those issues to long session of the General Assembly. Mr. Dorney talked about military presence, impact of major installations, impact on economy (12% of GDP), defense business and contracts (this slide only discusses prime contracts). The report looks at business support infrastructure in the state. Leveraging new markets is key. There are people who develop businesses, business development on the demand side, policy/coordination level, non-state entities, non-governmental organizations, who are all part of the infrastructure working daily to grow defense industry in NC. There are many connecting organizations within the infrastructure, which are designed to work together. Within the regulatory environment, federal acquisition is designed to benefit businesses. Where is growth going to be? How do we grow military economy?

- Sustaining current infrastructure on our bases
- Engaging public statewide on importance of military
- Congressional delegation – critical – need to speak with one mind as it relates to defense opportunities
- Reduce gaps in quality of life, support/enact legislation that does that

Chairman McKissock asked about engaging congressional delegates. Ms. Thrash replied that NCDBA holds roundtable events where federal elected officials speak. They will be invited to NC Defense Business Association's event on 12/16 and hope to have a follow-up meeting specifically related to North Carolina. Ms. Thrash hopes if congressional delegates were invited to discuss a statewide strategy to respond to the opportunity for supply management, that through NC DBA's Legislative Committee they would make time for that discussion.

Mr. Dorney continued to outline strategies and courses of action from his power point slides:

- Sustain current infrastructure and bases
- Grow businesses in the federal market
- Transition infrastructure for future growth

There is a need for a statewide database of existing businesses. Businesses registered with the Secretary of State could include businesses transacting in North Carolina but registered in another state. The Department of Revenue does not disclose specific information. Mr. Dorney pointed out that included among goals for the State should be:

- Support a company to leverage technology transfer to help businesses to patent technology
- Technology transition – help the company introduce new technology to DoD. Getting DoD to be interested in something they did not think of is difficult. Leverage untapped buying sources. There are many opportunities that we do not even touch.
- Expanding ties to major in- and out-of-state prime contractors. Must improve in building relationships with acquisition commands across the US. Those commands have the resources.
- Market intelligence on future opportunities is really important. We must improve on identifying opportunities in advance within targeted sectors to better pre-position companies in NC.
- Look at Alabama as an example where the state promotes the defense sector and use recruitment incentives such as a similar tax structure:
 - Lower income taxes from 6% on revenues generated from federal marketplace
 - Lower income taxes on NC contractors doing business out of state
 - Many out-of-state businesses executing contracts in state
 - Expand tax base

Mr. Dorney recommended forming a small group interested in looking at this initiative. Chairman McKissock will put together a "session" after the first of the year to determine 3 or 4 initiatives with which the Committee can help.

Getting in front of the opportunities is critical. There needs to be a state-level point of contact for defense contractors or companies wanting to do business in this state to inform of available tax incentives, locations, infrastructure, etc. This was recommended vis-à-vis gap analysis study in 2005;

that one person from Commerce be the single point of entry. Not just to field questions about resources, but able to convene these people around the table.

New Business/Comments:

After January 14th meeting in Raleigh, we will put together the schedule for the next Committee meeting.

The minutes from the last meeting had administrative corrections to be made; this will be distributed with changes.

We may want to augment this Committee's voting members, which would change the charters. We will discuss this over the next month or so.

Dr. Beth Barton was introduced to the Veterans Readjustment Act with a new requirement that a percentage of veterans are hired for new contracts; this should be incorporated into jobs portal.

Sebastian Montagne commented on Department of Transportation's efforts to grow numbers in DoT, talking with NC National Guard. Comments that correlate with Governor's vision on infrastructure are welcome.

Following an invitation for additional questions or comments, Chairman McKissock adjourned the meeting at 3:30 PM.