

## 2021 STATE LEGISLATIVE AGENDA (1-1-2021)

North Carolina's economy will never reach its full potential unless the Triad's economy regains *its* full potential. The following strategic investments in the Triad will help secure NC's global prominence in the 21st century.

### PRIORITY AREA: WORKFORCE for NEW COLLAR JOBS

- A. **EASTERN TRIAD WORKFORCE INITIATIVE FOR NEW COLLAR JOBS** – Phase 2/CARES Act extension, Phase 3 = \$4.5M each of two budget years, & (NEW) \$500k for unique 3D metal printer/programs.
- B. **(NEW) "READY FOR SCHOOL, READY FOR LIFE" (and Ready for Work) EARLY CHILDHOOD INITIATIVE PILOT** \$1.808M IN FY21/22 AND \$1M IN FY22/23 to supplement private \$32M grant to overhaul industry practices, build data analytics system, and secure private \$70M grant for phase 2.
- C. **GUILFORD COUNTY LOCAL OPTION SALES TAX BILL** – Allow ¼ cent local option sales tax to be legally purpose-designated for school facilities in Guilford County.
- D. **SIX PILOT CAREER ACADEMIES** - \$3M Grant and possible regulatory reform for Public/Private Partnerships to pay for buildings, technology, and equipment.

### PRIORITY AREA: ACCESS TO CAPITAL for ENTREPRENEURS

- E. **FIRST LAUNCH CAPITAL FUND** – \$2.5M 1:1 Matching State Grant for the Triad (\$1.25M FY21/22, \$1.25M FY22/23). More funding could support statewide programming.

### PRIORITY AREA: GROWING NEW COLLAR JOBS

- F. **(NEW) "FIRST IN FLIGHT - FRIENDLINESS" AVIATION/AEROSPACE INITIATIVE - Making NC The #1 Aviation Policy State** for attracting and growing conventional and emerging aviation/aerospace sectors.
- G.-H. **GREENSBORO-RANDOLPH and PTIA MEGASITES SUPPORT** - Infrastructure and incentives when needed.

FUNDING PRIORITIES IN ORDER	FY 21/22	FY 22/23	Total State Investment FY21/23
ETWDI + Prototype Production 3D Metal Printer/Programs @ Congdon Yards	\$4.5M + \$500K	\$4.5M	\$9.5M
Ready/Ready: Data Analytics System 8 Pilot Centers	\$1M \$808K	\$1M	\$2M (+ \$1M each of next 4 years) \$808K
First Launch Capital Fund	\$1.25M	\$1.25M	\$2.5M (1:1 matching funds)
Pilot Career Academies	\$3M		\$3M
First in Flight-Friendliness	TBD	TBD	TBD
<b>Totals:</b>	<b>\$11.058M</b>	<b>\$6.75M</b>	<b>\$17,808,000</b>

### WE ALSO SUPPORT

**JDIG** - Rapid Response Protocol and Elimination of Cap & Sunset  
Expand **Health Coverage Solutions**  
**High Point Market** - Continue Current Funding Support  
**Congdon Yards** - Entrepreneurism Center with "Production of Prototype" – State Grant Success  
**Education for Jobs**  
**Infrastructure for Jobs**  
**Transportation** – STIP, Destination 2030, Key Projects  
**Downtown Revitalization** Support as Economic Development Strategy

## PRIORITY AREA: WORKFORCE for NEW COLLAR JOBS

States that win, keep, and grow transformational companies offer extraordinary Workforce Development programming. McKinsey & Company estimates that 1/3<sup>rd</sup> of the US workforce will have to learn new skills and occupations in the next 10 years. About 51% of new jobs in the next 10 years will be New Collar Jobs, requiring advanced skills training. And in our targeted clusters, the college-bound will also need advanced skills training.

### A. EASTERN TRIAD WORKFORCE INITIATIVE (ETWI)

ETWI is a 6-10-year public-private partnership led by the business community. It is a critical addition to local and state workforce development programming. **The initial \$3.2M FY18/19 grant for Phase 1 was leveraged for another \$12.6M in additional grants, employer funding and stakeholder funding...and ETWI become a national model.** The state's Workforce Development office also won a prestigious, national PAYA grant to replicate ETWDI elements elsewhere.

#### Phase 1 Accomplishments:

1. **The business-led coalition of 25 stakeholders established and thriving**
2. **Changing Minds/Shifting Paradigms** – Over 1100 leads and 4M impressions through the marketing campaign.
3. **Learning, Earning, Growing – exponential growth in worker and company participation**
  - 200% increase in participating advanced manufacturing and service technician companies.
  - 400% increase in youth pre-apprenticeships (e.g. books, fees, tuition, credential fees).
  - 300% increase in adult-worker retraining (e.g. books, fees, tools).
  - New and expanded, comprehensive “hands on” exposure strategies at schools and worksites, such as: AMP Camp, Career Focus Fridays, Coding Camp, Middle School Career Discovery, and transportation to opportunities.

**ASK 1: PHASE 2 - AN EXTENSION OF THE CARES ACT SPENDING DEADLINE to at least 6-30-2021 if Congress allows it.** Thank you also for the planned \$9M for FYs19/21 for Phase 2. Programming suffered key cuts and our momentum was at risk without that funding. But the \$4.5M in CARES Act funding has helped keep the initiative alive. We are seeing continued strong demand from companies to add apprenticeships to their hiring strategy.

#### ASK 2: PHASE 3 PLANS - \$9,000,000 (FYs 21/23)

1. Continue and expand **youth programming**
  - a. **Serve additional sectors:** IT, Cyber-security, Aviation, Healthcare, Logistics, and Construction.
  - b. For **759% and 842% (cumulative) increases** in Pre-Apprenticeships and in Apprenticeships respectively.
  - c. Expand Junior Achievement's successful, 10-school pilot career exposure program to **20 (half) Eastern Triad middle schools**. \$1.75M of volunteer time in class, 4x the state investment. (Ultimate goal all 40.)
2. Continue/expand **Comprehensive Marketing Campaign** - Elements include apprenticeship recruiting, tours, Social Media, webpages, TV, billboards, learning hotspots, virtual career fairs and virtual industry tours.
3. Create robust **Adult/Incumbent Worker Training Services**, leveraging OJT and IWT for a 250% increase.
4. **Launch Adult Pre-Apprenticeships and Apprenticeships.**
5. **Pivoting to Virtual and Distance Learning Opportunities and Technology** to continue support for: career learning; job shadowing; career exploration virtually and in-person; laptops for apprentices, etc.; software (anatomage, welding simulators, etc.); Laptops to provide access to K-12 students; internet hotspots; virtual servers for CTE K-12 school system; swivel robots to accelerate social distance learning.

**ASK 3: (NEW) ADDITIONAL 1-TIME \$500K REQUEST TO ADD ADVANCED PROTOTYPE PRODUCTION EQUIPMENT - the first ever 3-D metal printer in the furnishings industry - and associated programs.** The new centerpiece of High Point's \$40M Congdon Yards is **“The Generator”, a state-of-the-art production and prototype facility that is the first of its kind in the US, and a game changer for NC's furniture industry.** It will provide world-class equipment and career and technical training programs to drive small batch production back to the US and stimulate economic growth. The project will support creative entrepreneurs, furniture designers and makers, interior designers and architects, and furniture companies of all sizes. It will help transform High Point into a year-round creative hub and will re-solidify our status as a global design and innovation hub.

## **B. “READY FOR SCHOOL, READY FOR LIFE” (& Ready for Work) EARLY CHILDHOOD INITIATIVE (NEW)**

**By age 3, 80% of brain development - the solid or shaky foundation for all future learning - is already complete. But 47% of NC and 55% of Guilford County children aren’t getting what they need to reach the 2 key indicators of self-sufficiency and success in adulthood: 1) children arriving at kindergarten ready to succeed, and 2) then reading at grade level by grade 3. This does not bode well for NC’s future in the emerging 21st Century information & technology economy. It is unacceptable for our citizen-children. It must be disrupted.**

Most of Guilford County’s (71%) and NC’s (66%) population in this demographic spend many of their waking hours in early care and education centers, most of which struggle to provide sufficient educational care. Caretaker/educators’ skills, knowledge, and job-stability are inseparable from the citizens these children will become for their entire lives. Therefore, **a new, disruptive overhaul of the early childhood support industry will be key to our state’s continued success: developing a high-quality workforce for today’s and tomorrow’s jobs, achieving our state’s highest potential for future global prominence, attracting young families to the state and the workforce, maximizing personal citizen success and minimizing future dependence on public support.**

**Therefore, our community began a major initiative called “Ready for School, Ready for Life” that is funded by a large number of local and regional private funders. These funders collaborate with local schools and universities to transform the early childhood support system in Guilford County. The initiative is pursuing innovative approaches to enhance cognitive and social-emotional development in the earliest years of life when the brain is developing most rapidly.**

In Fall of 2018 we caught the attention of **The Duke Endowment and Blue Meridien Group, which were in search of 2 communities in the US where they could best invest \$100M each to disrupt the early childhood support industry. They seek to effect measurable sea-change through an empirical approach. Guilford County was chosen as a national disruption pilot site because of our “national average” test market demographics, both rural and urban populations, an established groundbreaking initiative ready for funding, and our potential for statewide and national replication.**

**The Duke Endowment/Blue Meridian Group and Guilford-area funders will invest over \$107M in the initiative in the coming years, measuring outcomes as we go and adjusting ensure extraordinary outcomes and ROI. Because the outcomes and impacts will be available to - and replicable across - the entire state, we ask the legislature to fund just \$6.808M over the next 7 years for data analytics development, and to overhaul practices at 8 pilot sites. (Fund through the NC Department of Health and Human Services, Division of Child Development and Early Education.)**

**ASK 1: SUPPORTING DATA ANALYTICS TECHNOLOGY TO IMPROVE OUTCOMES AND ROI: \$1M annually over 6 years (\$6M total) to be used to support building, testing and improving integrated data system technology that is necessary to provide empirical data for decision-making, and to secure the \$70M phase 2 funding from Duke Endowment/Blue Meridien.** Imagine Amazon without an integrated data system tracking orders, inventory, and shipping. Unfortunately, this is the state of early childhood systems, where families navigate a fragmented, disjointed service landscape in their attempts to find services to help their children thrive. **The technology is key to solving this problem.**

**ASK 2: OVERHAULING PRACTICES TO DELIVER HIGH-QUALITY EARLY CARE AND EDUCATION: \$808,000 to fund a 3-year implementation of Model Work Standards for Early Childhood Programs developed by UNCG’s Center for the Study of Child Care Employment, in 8 early care and education centers.** The Center will provide leadership, resources, rigorous selection criteria, assessment, improvement planning, coaching, evaluation, and replication to 112 teachers, 8 administrators and 890 children and families. The pilots will provide a state-wide model for implementing best practices in the Model Work Standards, improving care quality and education for infants, toddlers, and preschoolers across NC.

## C. LOCAL BILL HB1113 for LOCAL OPTION SALES TAX LIMITATIONS

**ASK 1: SUPPORT 2020'S HB1113** to give Guilford County statutory authority to hold a referendum on a  $\frac{1}{4}$  cent local option sales tax that can be legally designated for public school facilities (and debt therefore), with ballot language that is specific to the intended use. Our comprehensive Facilities Master Plan (FMP) released in late 2019 proposes visionary overhaul of Guilford County Public Schools facilities into economic development infrastructure for our 21<sup>st</sup> Century economy (including facilities for modernized CTE programming and Career Academies.) The  $\frac{1}{4}$  cent local option sales tax will provide critical \$19M annual funding for the \$2B cost of the FMP. **But to ensure passage in Guilford County, the sales tax must be legally bound to the intended purpose, and the ballot language must allow specificity to that purpose.**

## D. SIX PILOT CAREER ACADEMIES

In 2019/20, in partnership with the business community, Guilford County Schools (GCS) began a comprehensive overhaul of its CTE programming, including **starting its first six innovative Signature Advanced Career Academies at existing high schools. We are still in need of the \$3M grant funding that was included in the legislature's FY19/21 budget act to purchase industry-standard equipment and technology for effective programming.**

- The academies launched to **very high interest:** 817 applications for the first about 240 slots.
- Students are taking basic prep classes now, but the **grant-funded equipment and technologies must be acquired, installed and ready for use in school year 21/22, or the programs will face significant scale-backs.**

While capital and staffing needs will be funded under current statutory systems, there are **two unique things we need from the State to make the pilot a success:**

**ASK 1: \$3M in FY21/22 FOR INDUSTRY-STANDARD EQUIPMENT AND TECHNOLOGY**, which have proven critical to the success of such programs in other areas of the country. Required funding is \$500K per school, for a total of \$3M. (which represents less than  $\frac{1}{2}$  of the full project cost of over \$6M.)

**Possible ASK 2: Guilford County Public Schools may also bring you a request for Regulatory Relief:**

- o Critical policy changes to match charter, restart, and private schools' flexibility to enable private sector experts to become teachers, and for companies to "loan" employees to the classroom. This will enable us to create different compensation packages and incentives for academy personnel, and to deploy high-performing staff more effectively to serve more students.
- o We also anticipate needing regulatory relief to create public-private partnerships to pay for the building renovations and to sustain ongoing instructional technology needs as well as capital investments in industry standard technologies, tools, and equipment.

The proposed Signature Advanced Career Academies are aligned with regional and State economic development needs:

- 2 Academies of Advanced Manufacturing
- 2 Academies of Computer Science
- 1 Academy of Transportation, Distribution and Logistics
- 1 Academy of Biomedical Technology

When fully populated, **these first six Signature Advanced Career Academies alone will ultimately serve about 2400 students in grades 9-12.**

This academy model improves outcomes by: blending the on-grade level content and academic rigor most often found in advanced, college prep classes with the hands-on, project and team-based teaching approach most often found in CTE courses; requiring all students to declare a "major/career pathway" before they enter high school; and having a clearly

articulated sequence of courses, credentials, and experiences. The model improves career and college readiness and changes negative perceptions of technical careers by exposing more students, parents, and school personnel to business partners through site visits, awareness sessions, career planning, and other strategies.

The academy model must provide daily, hands-on experience with industry standard technologies, tools and equipment (for which we are seeking grant funding), which will lead to growth in the number of industry credentials earned by GCS students prior to high school graduation. Based on successful models in SC, GA, TN, TX, NY and OH, we anticipate higher than normal costs for instructional technologies, capital and programmatic expenses associated with providing current, industry standard machinery, tools, software, raw/consumable materials, etc. Deemed critical to every successful model, these costs are currently not covered by existing local, state, or federal funding streams.

## **PRIORITY AREA: ACCESS TO CAPITAL for ENTREPRENEURS in the TRIAD**

### **E. FIRST LAUNCH CAPITAL FUND**

*“Achilles Heel of Startup Ecosystems: Across the world, various economic development organizations, government agencies, and non-profits are putting in admirable and well-intentioned efforts to develop startup ecosystems. They’re building campuses, buildings, educational efforts...anything they can think of to foster the growth of new and innovative companies. One thing they’re spending very little time on **could wind up being the reason why all of these efforts dry up: Very little time and effort is spent helping professional, full time investors raise capital for venture funds.**”*  
– Charlie O’Donnell, “Startup Catalyst Brief”

**The biggest hurdle to growing NC’s next generation of global jobs-leaders like EcoLab, Qorvo (RF Micro Devices) and New Breed Logistics, is a lack of early-stage capital for innovative entrepreneurs who want to start great new businesses...and start them *here* instead of having to relocate for capital out of state.** Access to such capital was key to the creation of jobs-powerhouses like Research Triangle Park, Silicon Valley, Austin TX and even NYC. President of the Federal Reserve Bank of Richmond/5<sup>th</sup> District Tom Barkin advises that **stimulating entrepreneurship is the number one thing mid-sized cities should be doing to secure their economic future.**

Greensboro Chamber’s entrepreneurial support arm, Launch Greensboro, has created **the solution: First Launch Capital Fund.** This fund follows a rigorous “multi-checks & balances” process to fund qualified, promising start-ups **as long as they locate somewhere in the 12 Piedmont Triad, NC counties.** **First Launch Capital Fund is unique because** it not only affords ROI to certain fund investors, **it is also an “evergreen” fund – perpetually self-sustaining.** Begun in 2019, we are raising \$2.5M from private individuals, local companies, and area foundations. We have \$590K in hand with an additional \$462,500 already committed for the investment cycle closing 4Q-2020. As of 12-11-2020 we have had 96 company applicants, have fully vetted 25, and 5 are funded and in the mentoring program, in **Guilford and Forsyth Counties.**

**ASK 1: \$2.5M “1:1 MATCHING GRANT” from the state.** Because the State will be bolstered by these First Launch Capital Fund investments, we are seeking \$2.5M non-recurring “1:1 matching funds” from the state, to be drawn down \$1.25M in FY21/22 and \$1.25M in FY22/23.

**STATEWIDE OPTION:** Everything we have done to create FLCF paves the way to expedite the creation of similar seed funds in other areas of NC. Our process is now refined and ready to replicate, and even to customize for others. With additional funding we can surge forward to help develop stronger program(s) for NC.

## PRIORITY AREA: GROWING NEW COLLAR JOBS

### F. FIRST IN FLIGHT - FRIENDLINESS - MAKING NC THE #1 AVIATION POLICY STATE (NEW)

**ASK 1: BEGIN TO ADVANCE ELEMENTS IN THE ACTION PACK BELOW** - NC is competitive in the aviation game, but **we can become the #1 state in nation and a top-tier competitor globally by doing just a few more things.** It's an exciting time to pursue this initiative because the aviation industry is on the brink of a next-generation disruption as electric unmanned vertical take-off technology nears fruition. The Piedmont Triad is ideally suited to be the global center of this new sector of aviation, as well as a leader in conventional aviation manufacturing and maintenance. We have the logistics infrastructure, a 1000-acre Aerospace Megasite, plenty of airport capacity in the region, and a substantial aviation cluster already operating here. **Here's an Action Pack for securing NC's rightful place at the top:**

- A. **Officially recognize the Triad as the center of the state's aviation cluster.**
- B. **Support the imminent establishment of NC's Global Center of Aviation Excellence in the Piedmont Triad.**
- C. **Make the Triad the home of the \$1.5M initiative to study the transformation of the aviation industry by electric unmanned vertical take-off aircraft** that was included in the legislature's FY19/21 budget act.
- D. **Streamline Community College recruiting of students from other counties and states to exponentially increase the workforce pool** for this highly advanced and specialized targeted economic development cluster.
- E. **Amend the sales and use tax exemption on aviation parts so that it applies to parts for aircraft 2K pounds take-off weight (TOW) and above,** not just for 9K-15K and >100K pounds TOW aircraft.
- F. **Clarify NC Statutes with a technical correction to add airport authorities to the lists of authorities.**
- G. **Study other state's policies** and match or exceed them.
- H. **Modernize the Piedmont Triad's Inland Port.** It is unconscionable that the #1 manufacturing center in the state does not have a modern inland port. Our facility is so antiquated that the potholes set off the airbags in the transfer trucks. It has growing critical needs for modernization and expansion that are vital to serving our advanced manufacturing and logistics economy. Needs include expanded facilities, modernization of delivery system computerization, and even relocation for a state-of-the-art facility. Stakeholders are NCDOT Rail Division, NC Railroad, Norfolk Southern, the VA Port Authority and business customers.

### G. GREENSBORO-RANDOLPH MEGASITE SUPPORT

Thanks to your visionary leadership, the world now knows that NC means business, and that we have one of the best Megasites on the planet. It is only a matter of time till we land a transformational prospect.

**We ASK** that you further strengthen the state's global competitive standing by:

- **CONTINUING TO SUPPORT INFRASTRUCTURE NEEDS at the Greensboro-Randolph Megasite** as they arise, including the eventual **\$30M relocation of the transmission line** from the middle to the outer edge of the site.
- Adding certainty to the recruitment process by **ACTIVATING AND FUNDING NCDOT's SITE INFRASTRUCTURE DEVELOPMENT FUND AND CREATING A "RAPID RESPONSE" PROTOCOL** for addressing specific projects. Getting this fund ready helps eliminate "site readiness" risk as a negative for our State. It has been used successfully in the past to clear and grade sites and acquire land for large projects, but it is not currently funded.

### H. AVIATION at PIEDMONT TRIAD INTERNATIONAL AIRPORT (PTIA)

Thank you for your strong commitment to PTIA and its new **1000-acre Aerospace Megasite.** **We ASK FOR CONTINUED SUPPORT** of the important economic development efforts underway there:

- Reviving the solutions in **2020's HB77** for increasing and securing Commercial Service Airports funding.
- Additional funding for specific economic development projects at PTIA as they arise

PTIA's superior logistics characteristics make it critical to growing the Aviation/Aerospace, Advanced Manufacturing and Logistics sectors of NC's economy. PTIA returns extraordinary ROI to the state.

## WE ALSO SUPPORT

**JOB DEVELOPMENT INVESTMENT GRANT (JDIG):** Continue to enhance the power of the State's key economic development tool by eliminating the cap and sunset on JDIG. Our economic developers must waste precious time with prospects to calm their concerns over our cap and sunset provisions that other states do not have. There could come a time when we must ask prospects to slow their plans till the next budget year. These are not successful economic development strategies. Because JDIG grants are self-funding (similar to an "enterprise fund"), these cap and sunset red flags unnecessarily detract from NC's otherwise strong competitive standing.

**EXPAND HEALTH COVERAGE SOLUTIONS:** Thank you for passing the Small Business Healthcare Act in 2019. We support expansion of health coverage to North Carolinians, whether through Medicaid expansion or other options that are available to, and appropriate for, the State. **Expanded coverage improves health, stabilizes the insurance market, lowers costs to businesses, and has a positive impact on jobs.**

**HIGH POINT MARKET:** Thank you for recurring funds: of \$1,200,000 for transportation through NCDOT and \$1,755,472 for marketing through NCDOT. **Please continue these recurring funds (in the same amounts) that support the High Point Market and its \$5.38 billion economic impact in NC.** The State's participation in this public/private partnership is critical to maintaining the Market's global dominance in the face of domestic and international threats.

**EDUCATION:** Because it is critical to job growth and attracting new companies to our state, we support funding for North Carolina's strong educational system at every level: pre-K-12, community colleges, and universities. The efforts of GTCC, UNCG and NC A&T, as well as Guilford County's five private colleges and universities, are vital to the success of educating North Carolina's workforce, and we ask that you continue to support these institutions and their requests.

**INFRASTRUCTURE FOR JOBS:** We support policies and investments that promote NC's job growth, and quality of life: roads, rail, airports, seaports, intermodal facilities, advanced telecommunications, and information technology.

**TRANSPORTATION:** We support the 2013 Strategic Transportation Investments law (recognizing that continued fine-tuning is to be expected), to efficiently and effectively allocate NCDOT funding to enhance the state's infrastructure.

We support the NC Chamber of Commerce's **Destination 2030 initiative** to modernize transportation funding sources.

The following planned road improvements are important to moving goods and workforce in our growing region:

- **High Point's Lexington Avenue Gateway (\$34.5M)** R/W acquisition and Construction are scheduled for 2024 and 2026 respectively. In a 2017 public/private partnership, the City and Business High Point/Chamber of Commerce funded the \$185K engineering study phase (\$95K and \$90K, respectively.)
- **Sandy Ridge Road improvements, I-40 to Market Street (\$18M)**, is now funded in STIP year 3.
- **US 70 widening from east Greensboro to Burlington** to provide an alternative for I-40 (\$80M).

### DOWNTOWN REVITALIZATION AS ECONOMIC DEVELOPMENT STRATEGY:

We strongly support revitalization of our urban cores. Vibrant downtowns lead growth in tax base and strengthen the ability to expand the economy and recruit new companies. Therefore, we **support the historic preservation tax credit.**

- Exciting progress is being made in **High Point's Downtown Catalyst Project** revitalization initiative that has secured well over \$100M in public and private investment, and includes a new multi-use stadium, Congdon Yard, a hotel, apartments, children's museum and event center.
- Progress made in **downtown Greensboro** is equally exciting, with significant investment (and extraordinary ROI) made by the public, private and foundation sectors, including state funding support for Union Square Phase 1. Most recently, citizens approved a **\$25M bond** for downtown and DGI has a **new 10-year Strategic Plan.** **Opportunities may arise for the state to participate in these economic development efforts.**