

Testimony to the United States House of Representatives

Committee on Education and the Workforce

Thursday, April 21, 2011

Presented by Jan McKeel, Executive Director

South Central Tennessee Workforce Alliance

Good morning, Chairman Kline, Representative DesJarlais, and all in attendance today. On behalf of the South Central Tennessee Workforce Alliance, our Corporate Board of Directors, and Workforce Board, I thank you for the honor of presenting our efforts to build a world class workforce in the Middle Tennessee region through private and public partnerships. My focus today will be on our partnerships with those in higher education that provide the training and education needed by our workforce to succeed in obtaining jobs, maintaining jobs, and growing their careers.

As Executive Director of the South Central Tennessee Workforce Alliance since its incorporation 8 years ago as a 501c3, and for an additional 6 years prior when we were a division of Columbia State Community College, I have been privileged to witness firsthand the incredible results when adults, regardless of their age or years in the workforce, gain additional education and skills. Unfortunately, the eight counties in our Local Workforce Investment Area – Maury, Giles, Lawrence, Lewis, Hickman, Marshall, Perry, and Wayne - have experienced tremendous job loss, particularly in the last 3 years. In fact, our region has led the state with the highest regional unemployment rate for 36 of the past 38 months. According to the most recent unemployment analysis, our area unemployment stands at over 14.2%, more than 47% above the Tennessee rate of 9.6%, and almost two thirds higher than the United State rate of 8.9%. We must always remember that this rate is actually made up of over 14,000 people in our region alone – mothers, fathers, grandparents, sons, and daughters – who want to work and provide the best for their families. And, this unemployment rate does not represent the thousands of individuals who are underemployed – either because they are working in jobs below their skill level, or because they are not working as many hours as they would like. Through our Tennessee Career Center system, with 9 located in our region and funded primarily through Workforce Investment Act formula funds, we partner with key organizations and agencies in each community to bring together the resources and personnel to provide advice, guidance and resources to those looking for new jobs, whether in an effort to locate a better paying job, or to simply find a job when the crisis of a layoff or closure hits close to home.

In early 2009, our daily foot traffic averaged just over 400 job seekers daily. In January 2010, at the height of our unemployment crisis with a rate of 17% unemployment, our foot traffic averaged 1,120 people **daily – an increase of almost 300%**! Gratefully we are established in each of our counties with Career Centers and talented professional staffs that serve the 700+ that continue to visit each day to tap

the resources we and our partners offer to assist jobseekers in their quest to end their personal crisis of unemployment by finding jobs that maximize their skills and pay good wages.

For decades we have excelled in manufacturing, providing families an excellent source of income and ability to provide for their families. Yet, manufacturing has been amongst the hardest hit industries during the economic crisis our nation has experienced. We have lost over 14,000 jobs in manufacturing alone, and although this industry is beginning to rebound, a full economic recovery may take until 2014, and it is not likely we will ever reach the manufacturing employment levels of the 1990's. In addition, the manufacturing jobs that are returning look vastly different than those of the past. Assembly type jobs have been replaced by more skilled positions – for example robotics technicians, machinists, and electrical technicians. However, we also expect significant job growth to come from occupations outside of manufacturing. As in most areas of the United States, we are witnessing a shift from the manufacturing sector to other sectors including healthcare, information technology, and business management and supervision. The South Central Tennessee Workforce Alliance through our Workforce Board is charged with providing oversight to the investment of Workforce Investment Act dollars for this region.

To make the best decisions, we have participated in two labor market studies in the past 5 years. Most recently, in partnership with the Nashville Chamber of Commerce, and our workforce board colleagues - the Nashville Career Advancement Center and Workforce Essentials – a study, “Leveraging the Labor Force for Economic Growth”, was conducted in 2010. This study looks at jobs, the projected growth or decline and the labor market for the 10 county area surrounding Nashville, which is the economic engine of our region. This study, along with labor market information provided by the Tennessee Department of Labor & Workforce Development, is the foundation for our training investment decisions. The majority of programs in which we invest are programs taught by Columbia State Community College or the Tennessee Technology Centers, and include programs in Nursing, Health Information Technology, Computer Information Systems, Residential Wiring & Plumbing, Automotive Technology, Green Jobs Technology and Solar Photovoltaic Technology. Since July 2010, we have provided scholarship and/or support to over 470 individuals in need of skills upgrades. The majority of these individuals are dislocated workers from closed manufacturing companies, and the additional education and training will provide the skills needed to move into new careers.

For the past 7 years, an idea to bring additional training opportunities to the area has been discussed by business, community, and education leaders. The dream was to provide a framework, driven by employers, where educational providers could come and provide the desired credentialed training and skills. Area high school students would have the opportunity to dual enroll in programs and earn credit toward a post-secondary degree. Adults could focus on technical training without traveling almost an hour, providing a more realistic opportunity to work and train part time. Business and industry could assist in planning desired training for their workforce, and provide opportunities for internships for those in training to add experiential opportunities. These ideas and plans are now coming to fruition through a partnership between the Tennessee Department of Economic and Community Development, the Tennessee Department of Labor & Workforce Development, the United States Department of Labor, local city and county governments, Columbia State Community College and sister institutions, the

Tennessee Technology Centers, University of Tennessee Industrial Services, Spring Hill GM Manufacturing, and the South Central Tennessee Workforce Alliance. Through a \$5 million state funded grant through TDECD, the Workforce Development and Conference Center at Northfield has been established in the former Saturn corporate & training headquarters – a 320,000 square foot building built as a corporate office and training center.

Training provider partners at Northfield are providing training and economic development opportunities for the region. Approximately one-third of the building will be devoted to training, with fixed costs covered by the rent generated from the two-thirds of the building available for lease. The building is being marketed as a potential site for a call center or corporate support back offices, and can support approximately 700 workers. Based on our knowledge of the labor market, we are making progress in the establishment of training in at least 5 areas: 1) Healthcare; 2) Public Safety; 3) Advanced Manufacturing and Sustainable Technologies; 4) Hospitality and Culinary Arts; and 5) Information Technology. The recent award of \$8.3 million in National Emergency Grant funding through the USDOL will allow training efforts to be supported at this facility, and will provide for 1,500 individuals laid off from General Motors and its suppliers, along with others affected by these layoffs in the region.

A business incubator will allow new and start-up businesses who meet acceptance criteria to be established and nurtured with access to resources and expertise needed to strengthen and grow into larger, profitable companies who will choose to stay in our community. We are working to finalize the first company accepted into our incubator – a green technology start-up which, with a mix of funding including a grant from the Tennessee Solar Institute, will begin later this summer with an initial workforce of 10 employees, several trained through classes already completed in green technologies at Northfield. The plan is to host several more start-ups on this unique training and work campus.

In closing, I appreciate the tremendous work this Committee is charged with performing, and understand the difficulty in prioritizing where federal funds are spent. I can, however, sincerely share with you that training and education, workforce success, and personal income are positively correlated. Economic landscapes will periodically change, and the strength of individual sectors will come and go. Yet the strength of our communities, especially in more rural settings, will remain correlated to our ability to attract, retain, and grow jobs. Please continue to recognize the importance of the public private partnerships fostered by our Workforce Investment Boards, and that we take this responsibility to convene business and industry, education, community based organizations, and public sector agencies as our main duty. This infrastructure designed in the Workforce Investment Act provides support, guidance, and resources to so many, both jobseekers and employers, and promotes the regionalism and leveraging of funds required to grow our workforce skills, both immediate and in the future. My sincerest thanks, and I will be happy to address any questions you may have.