



Development District Association of Appalachia

Local Development Districts: Linking Workforce and Economic Development

Families across the nation, including in the Appalachian region, are struggling to pay bills, keep their gas tanks filled and avoid foreclosure on their homes. Some face these basic daily challenges in the midst of unemployment woes or because they lack the skills needed for today's industries and businesses.

This issue brief offers a snapshot of the innovative and timely workforce preparedness and readiness initiatives of the 72 multi-county Local Development Districts (LDDs) serving all 13 states and 410 counties of Appalachia. Many of the Appalachia LDDs manage and administer the U.S. Department of Labor's Workforce Investment Act (WIA) programs, while others are engaged in workforce issues as part of their comprehensive economic development strategies.

Regardless of the organizations' varied program responsibilities, each LDD recognizes that workforce is among the most pressing issues facing Appalachia and the nation. Most importantly, each LDD works to foster, support or lead regional partnerships aimed at bringing public, private and educational sector leaders together to cultivate a workforce that is highly motivated, prepared and trained.

While there are many workforce challenges throughout the Appalachian region, sizable

improvements are evident, attributed in part to emerging partnerships among LDDs, employers, educational institutions, state leaders and local elected officials. Recognizing that the accumulation of personal knowledge and job skills is a lifelong learning process, workforce development must incorporate regional collaboration, cross-sectoral partnerships and continuing education opportunities.

Three Rivers PDD Makes Job Training a Priority

With the state of Mississippi losing more than 5,000 manufacturing jobs each year, the Three Rivers Planning and Development District (PDD) has placed a top priority on helping workers and youth within its region pursue new career paths and build new job skills.

Three Rivers PDD serves as the fiscal/administrative agent for the Mississippi Partnership, one of four areas of the state

designated to implement WIA programs, including providing workforce services to youth, adults, displaced workers and business customers. The workforce service area of the Three Rivers PDD extends beyond the boundaries of its Appalachian Regional Commission's (ARC) LDD program and is the largest in the state, covering 27 counties.

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Three Rivers PDD has built its workforce program around the theme of partnerships. To help existing and future employees acquire the skills needed for advanced manufacturing, the PDD works with local community colleges, the Mississippi Department of Employment Security, WIA youth providers, private employers and neighboring LDDs within Mississippi and across state lines.

According to Clark Castell, former WIA director for the Three Rivers PDD, “With businesses like Toyota, Aurora Flight Service and SeverCorr Steel Mills, advanced manufacturing jobs are coming to the region. Our goal is to bridge the gap between the low skill and advanced skill jobs to prepare the workforce for the global economy.”

The PDD and its partners have helped the community make many strides. In 2006, almost 75,000 individuals were served in Workforce Investment Network (WIN) job centers and 14,800 received WIA services. Twenty-two employers were provided with rapid response services to assist more than 3,975 individuals who were laid off from their jobs.

More than \$10 million was invested to provide:

- Assistance for 1,043 low-income disadvantaged youth to earn their high school degree or to receive their GED and learning job readiness skills
- On-the-job training for 1,174 persons, with employers receiving reimbursements for 50 percent of employee salaries during the training
- Retraining for 1,170 individuals in high-demand occupations, such as the healthcare and

technology fields, through the individual training accounts

The area received an enormous boost in February 2007 when Toyota Motor Corporation announced plans to build a new \$1.3 billion plant on a 1,730-acre tract near Tupelo, Mississippi. The plant is expected to open in 2010 and bring more than 2,000 new jobs. The Three Rivers PDD played an integral role in Toyota’s decision to locate in Mississippi by coordinating site development and infrastructure improvements and assisting with workforce preparedness.

Power Industry Energized Through Training Programs in Kentucky

With roughly half the workforce in the 10 counties served by the Lake Cumberland Area Development District (ADD) eligible to retire within the next five to 10 years, the power industry is experiencing a “graying” workforce. Coupled with a dearth of training facilities, rural electric cooperatives and utility contractors are shouldering the expense for on-the-job training.

The American Public Power Association reports that many utility companies predict more than 20 percent of their employees will be eligible to retire within the next five years, mostly in skilled trades. These jobs are often the most difficult to fill and will result in a significant loss of industry knowledge in Kentucky and around the nation.

Recognizing the dwindling supply of trained power industry professionals within its region, Lake Cumberland ADD began to examine the issue and pursue new partnerships to address the pending fallout. Community and economic development staff focused on building new alliances and securing funding to construct a state-of-the-art training facility, while the workforce staff focused on launching a training curriculum designed in conjunction with industry representatives to meet industry needs.

To bring this project to fruition, the Lake Cumberland ADD worked with numerous public and private partners, including the Pulaski County Fiscal Court, Somerset-Pulaski County Development Foundation, Somerset Community College/Kentucky Community and Technical College System, and the South Kentucky Rural Electric Cooperative.

As a result, the Kentucky Regional High Growth Training Center, now under construction, will provide state-of-the-art training to current and future electric utility employees, as well as meet the growing training needs for water, wastewater and telecommunications jobs.

The \$2.5 million, 38,000 square foot center is located on eight acres of land donated by the Somerset-Pulaski County Development Foundation. Construction funds were secured from a variety of sources, including HUD Community Development Block Grant funds, Appalachian Regional Commission, Economic Development Administration, USDA Rural Development and the South Kentucky Rural Electric Cooperative. Cumberland's Workforce Investment Board, administered by the ADD, also received a special \$500,000 grant to purchase equipment and provide first year tuition to participants.

Somerset Community College customized a curriculum donated by American Electric Power to meet the industry's specific needs. Workers will receive classroom training in computer technology, electricity and mathematics. They will also have hands-on training in all aspects of utility work, from climbing electric poles and operating bucket trucks to working with underground utilities and ditch digging. The college provides administrative and logistical support for personnel involved in planning and implementing the training programs. While some components are designed to give students the opportunity to pursue a four-year degree at the University of Kentucky, the community college is also pursuing the accreditation of an Associate of Applied Science in Lineman Technology (AAS) degree.

Tri-State Alliance Collaborates to Build Strong Workforce

The Tri-State Regional Workforce Alliance, comprising 26 counties in three states of Alabama, Georgia and Tennessee, takes a regional approach to develop training programs that produce a local, highly-skilled workforce that can attract new businesses and provide employees to existing employers. The alliance is staffed by representatives from the organization's lead agencies, including the two LDDs, Coosa Valley Regional Development Center and the Southeast Tennessee Development District, along with the Northeast Alabama Community College. The alliance consists of more than 60 partners, including economic development and regional planning organizations, educational institutions, philanthropic groups and businesses.

Since its launch in 2006, the alliance has created a Web-based resource (www.tristateworkforce.com), sponsored a regional workforce summit and participated as a learner organization in the U.S. Department of Labor's National Business Learning Partnership project. It has held joint meetings with the Chattanooga Area Chamber of Commerce and various partners, including regional colleges and universities and philanthropic groups. In addition, the alliance has conducted a regional Energy Industry Focus Group, in conjunction with WorkSource, a network that helps to stimulate job growth by connecting businesses with skilled employees and resources they need to succeed.





Once completed, the Kentucky Regional High Growth Training Center will be the sixth of its kind in the nation. It is anticipated that 250 students will benefit from the facility over the next two years. “This facility will provide a great service to our region. We are excited about the prospects of strengthening our workforce by providing the needed training close to home and increasing the number of qualified utility workers, which will ultimately benefit our regional economy,” says Donna Diaz, executive director of the Lake Cumberland ADD.

“Partnering with Lake Cumberland ADD on the line worker’s training center was beneficial to our cooperative, our industry and, of course, our local community because it brought jobs. With an aging workforce, especially with regard to line workers, electric utilities are facing major challenges of not only identifying individuals for this physically demanding job, but training them as well. By 2012, our electric cooperative industry will need to replace some 1,800 retiring line workers. Industry wide (including investor-owned utilities and municipals), we stand to lose 40 percent or 30,000 line workers in the next five years,” says Edward Anderson, CEO of the South Kentucky Rural Electric Cooperative.

“Electric co-ops and local development districts are natural allies for community and economic growth: both focus on local sustainable development,” says Anderson. “Working together, each brings expertise and funding that complements the other. All co-ops would be wise in these times of economic constraints to seek out regional development organizations.”

Better Trained Employees Result in Improved Workforce Pool

The North Central Pennsylvania Regional Planning and Development Commission (RPDC) focuses its workforce development initiatives on two major goals: providing the region’s employers with “job ready” employees and fostering partnerships and alliances of various industries, educational institutions and job training providers.

The RPDC provides a variety of workforce-related services, such as job training for dislocated and disadvantaged individuals and high school students. “Having our workforce operations housed within the LDD has made it easier for us to bring together all of the critical players in the workforce conversation,” says Eric Bridges, executive director of the RPDC.

Through the RPDC’s various workforce programs, hundreds of workers and job seekers have been trained. There has also been a significant increase in earnings among individuals utilizing the RPDC’s services. According to Susie Snelick, Workforce Investment Board director for the RPDC. “As the facilitator in bringing partnerships together, there have been many value-added opportunities beyond workforce. We have brought together various entities to address other issues relevant to economic development. We have also engaged the community and various industries in those conversations in an integrated way.”

Like most successful workforce programs, this initiative involved more than just the RPDC. The North Central Pennsylvania RPDC—in concert with the North Central Workforce Investment Board, more than 150 local employers, secondary and post-secondary educational institutions and numerous other partners—collaborated to develop an employer-driven curriculum via the Work Readiness Skills Standards (WRSS), a program that prepares job seekers with entry-level skills needed to successfully enter into the region’s workforce.

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Safety Equipment Company Offers Employee Incentives

A lack of technological training, low wages and non-existent health benefits prevented Mustang Survival, Inc. from retaining qualified employees at its manufacturing facility in Wirt County, West Virginia. Consequently, the Mid-Ohio Valley Regional Council (MOVRC), Mid-Ohio Valley Workforce Investment Corporation, Gilmer-Calhoun Technical Center and local management for Mustang Survival partnered to retool this company into a more attractive place to work.

The Canada-based company has specialized in the design, development, production and marketing of aerospace and marine safety and survival equipment since the 1960s. Even as sales rose steadily, the company was still under great pressure to increase production, prompting a decision to expand the Wirt County facility. The company struggled to expand its capacity due to a 70-80 percent annual employee turnover rate, primarily caused by low wages and a lack of health care benefits for employees.

“Employees were earning \$5 dollars an hour with a 25 cent raise every five years,” says Jim Mylott, executive director of the Mid-Ohio Valley Regional Council. Mustang Survival’s biggest competition, Coldwater Creek, paid employees \$7.50 per hour.

After consultations with MOVRC and its workforce development partners, Mustang Survival increased wages by 70 percent in 2007 and started to offer health care benefits to employees. As a result, worker turnover is down dramatically and the company has a backlog of more than 100 job applications.

The company has also enhanced its new-found reputation as a quality work environment by offering expanded training opportunities for employees. With a MOVRC loan of \$250,000 for equipment and \$250,000 of its own resources, Mustang Survival purchased new, computerized production equipment for the facility. This equipment is used for production and for training current and future employees, particularly middle-aged employees. Training is financed with WIA funds.

“One of the goals of this endeavor has been to create a workforce that can utilize computerized sewing



Mustang Survival, Inc. Facility, Wirt County, WV

equipment,” says Mylott. “The return on investment has been tremendous and, by offering these incentives to employees, the company has reported that staff productivity has increased by 40 percent.”

Mylott explains there are additional benefits for employees, especially time savings and cost savings. While many rural residents often travel far distances to their jobs, this facility provides employees with a well-paying job that is, for some, a short driving distance from their homes. “This has provided an opportunity to give Mustang Survival employees a future in their community,” Mylott continues. The company has recently introduced an incentive program to encourage their workers to car pool through weekly gas card drawings.

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The RPDC and the National Skills Standard Board drafted an 11-module curriculum (with guidance and participation from a regional employer consortia), which once completed, qualifies students to test for the WRSS Certificate.

WRSS was funded through the U.S. Department of Labor's Workforce Investment Act and the Employment, Advancement and Retention Network Program. The estimated total cost for the product development was \$150,000, plus considerable in-kind support from employers and educators to develop the curriculum and competencies.

Employers and beneficiaries have heralded the impact of the WRSS program. According to Larry Horning, director of operations for the North Central Pennsylvania RPDC, "Some of the results expressed by employees that have completed the WRSS include a better understanding of the workplace, improved self-esteem and more comfort in pursuing the next level in their careers."

Several area high schools recently joined the WRSS team, allowing students to obtain credits and the highly desired WRSS Credential prior to graduation. This has been received very positively by local firms.

"North Central, through the Workforce Investment Board, started down the path of addressing the work readiness concerns of our employers simply because they had asked for help and we listened. Since its inception and through the industry partnerships and

additional feedback from employers, the need for this type of program is even more urgent than may have initially been anticipated. We are thrilled that we were in the forefront of this effort," states Snelick.

"The greatest impact WRSS and related Workforce programming has had with our services is measured by the continual feedback and support we've received from the business community," says Horning. "Our mantra is that workforce operations begin and end with employers."

Broadband Expands Educational and Training Opportunities

Until the mid-1990s, broadband connectivity was a distant dream in the seven-county region represented by the Southwestern Planning Commission in Sylva, North Carolina. Located in the sparsely populated Smoky Mountains and encompassing lands of the Cherokee Nation, the deployment of a modern fiber optic backbone within the region has been an overwhelming challenge.

Recognizing that broadband connectivity means more than simply having high-speed Internet access but also provides a new gateway for advanced learning and educational opportunities for local citizens, the region's leaders pursued an ambitious and innovative plan. As a result, more than 300 miles of a fiber optic backbone have been deployed in this rugged region.

With support from various organizations, including ARC, North Carolina Rural Center, Southwestern Community College and the Western North Carolina Knowledge Coalition, a group co-chaired by Southwestern Commission Executive Director Bill Gibson participated in the three-year "Appalachian Access" study to determine the feasibility of securing affordable broadband telecommunications in a rural area. Findings revealed that western North Carolina's craggy terrain, sparse population and general isolation, among other challenges, would make it difficult to bring broadband to the region.

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“Because of the limited telecommunications user base in the rural region, no private provider could develop a feasible business model to extend broadband,” says Gibson. “We were not able to entice one independent carrier to build a fiber optic network to the quality we wanted—a self healing, synchronous network—so the decision was made to design, finance and build our own.”

In 2003, Drake Enterprises and the Cherokee Nation, with support from Southwestern Community College, formed BalsamWest FiberNET, an independent, for-profit enterprise to provide an advanced telecommunications infrastructure that

would include a multi-homed, fiber optic backbone linking the six far western counties in North Carolina and adjacent counties in east Tennessee and north Georgia. Drake Enterprises and the Cherokee Nation each contributed \$7 million to the project.

Those involved in the project quickly recognized the connection between education and an advanced telecommunications infrastructure via broadband technology. Consequently, the Southwestern Commission partnered with the Western Region Education Service Alliance to work with public educational institutions to establish the Western North Carolina Education Network (WNC-EdNET), which enhanced learning for students through the use of the most advanced modern technologies.

Through WNC-EdNET, more than 70 public schools in far western North Carolina have been connected to the network, resulting in affordable access to quality education, training opportunities and learning resources. WNC-EdNET provides fiber optic infrastructure from the district hub to each participating school.



Many of the schools had only minimal access to the Internet, according to local public education leader Leonard Winchester, a retired technology coordinator and chair of the WNC-EdNET Technology Committee. “This access means much more than improved access to the Internet. The educational applications housed centrally are now available to all the schools in the district,” says Winchester.

“Thinking has changed. Now that the school district has the capability to deliver applications from a central site, teachers, parents, principals and administrators have a new model of delivery services,” adds Winchester. He says there has been

a significant financial savings. Prior to WNC-EdNET, access to the Internet was possible only through multiple connections to each school site.

Funding for WNC-EdNET came from several sources, including \$2.27 million from the Golden LEAF Foundation, \$1.7 million from the Cherokee Preservation Foundation and \$747,000 from ARC. The Business and Education Technology Alliance contributed \$1 million, while the North Carolina Rural Center invested \$40,000 and the local boards of education contributed approximately \$1 million. These local funds paid for fiber deployment to each school, Cisco connectivity equipment, installation and video conferencing equipment.

Residents can now access numerous virtual educational and training opportunities in their own backyard. At the 2007 “Best of the Southern Appalachian Region,” which celebrated completion of the BalsamWest FiberNET fiber optic loop, Dr. Cecil Groves, president of Southwestern Community College, and board member of BalsamWest FiberNet,

explained how detractors believed it would be difficult to find qualified people to run the network. But he emphasized that technology-based courses taught at the local university and community colleges have sufficiently equipped students and empowered many of them to stay in Western North Carolina and use their technology skills after graduation.

“In the past, graduates from our institutions have relocated to the larger cities where they have provided the needed workforce sought by the new knowledge-based industries,” explained Groves. “Many of these former graduates are eager to return to the mountains. And, when combined with recent graduates who desire to stay, western North Carolina is blessed with a diverse, talented and dedicated workforce.”

According to the Tom Tyre, community development specialist with the Southwestern Commission, the success of bringing broadband to the area has helped existing local businesses grow by becoming better and faster at e-business and by allowing local entrepreneurs to create new Internet-based start-up ventures. “Community colleges are performing their

part by educating the local workforce to incorporate and use the skills and software needed to take advantage of high-speed Internet capabilities,” says Tyre.

He adds there has been a positive effect in the use of more complex data for tourism promotion, such as photographs, maps and interactive components linked to tourism-related Web sites. “Traditionally, a large number of jobs within the region are in tourism. Better marketing using high-speed Internet tools encourages job growth in the tourism industry.”

Depending on local needs and conditions, local development districts are engaging in a variety of workforce development initiatives, ranging from program administration, fiscal management and accountability, regional convener and strategic partner for education, business and local government leaders. Regardless of the individual roles and links to workforce development, each LDD understands the importance of workforce readiness and preparedness for Appalachia’s future economic competitiveness. •

Footnotes:

- ¹ Individual Training Accounts are vouchers of up to \$2,000 are given to eligible individuals in need of occupational skills training so they may attain gainful employment; vouchers may be used to pay for the necessary training to eligible training providers.
- ² The NBLP is a collaborative project with a goal of enhancing regional and national competitive strength and improving labor market outcomes by engaging the workforce investment system in effective partnerships, fostering innovation, and integrating community strategies and resources to develop talent as a community asset. Source: www.doleta.gov/regions/reg05/documents/wdl007-06.cfm

REPORT CONTACTS:

Randy Kelley, Executive Director
Three Rivers PDD
P.O. Box 690 • Pontotoc, MS 38863
662.489.2415 • vrk@trpdd.com

Donna Diaz, Executive Director
Lake Cumberland ADD
P.O. Box 1570 • Russell Springs, KY 42642
270.866.4200 • donnad@lcadd.org

Jim Mylott, Executive Director
Mid-Ohio Valley Regional Council
P.O. Box 247, 531 Market Street
Parkersburg, WV 26101
304.422.4993 • Jim.mylott@movrc.org

Eric Bridges, Executive Director
North Central Pennsylvania RPDC
651 Montmorenci Rd • Ridgway, PA 15853
814.773.3162 • ebridges@ncentral.com

Bill Gibson, Executive Director
Southwestern Planning Commission
P.O. Box 850 • Bryson City, NC 28713
828.736.1336 • bill@regiona.org

Beth Jones, Executive Director
Southeast Tennessee Development District
P.O. Box 4757 • Chattanooga, TN 37405
423.266.5781 • bjones@sedev.org

Bill Steiner, Executive Director
Coosa Valley RDC
1 Jackson Hill Drive • Rome, GA 30162
706.295.6485 • wsteiner@cvrdc.org

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Learn more about DDAA at www.ddaa-ldd.org.