

## **2023 STATE LEGISLATIVE AGENDA – DRAFT FOR REVIEW**

With the recent announcements of several large economic development projects that will bring thousands of additional jobs to the Triad, workforce development will be critical to securing the region's, and state's, economic future. The following strategic investments will further the Triad's, and North Carolina's, promise of prosperity for a generation to come.

### **PRIORITY AREA: BUILDING A WORKFORCE TO MEET CURRENT AND FUTURE NEEDS**

- A. The Journey to R1 - North Carolina A&T (Page 2)** – Currently the Piedmont Triad does not have a university with an R1 status. R1 universities foster workforce and economic development by attracting top-tier talent, producing cutting-edge research that feeds local industry through technology transfer. This talent also meets the needs of existing employers and is a significant factor in attracting new, technology-dependent companies to the region.
- B. Eastern Triad Workforce Initiative Long-Term Success (Page 3)** – Build on the success of the Eastern Triad Workforce Initiative (ETWI) pilot program. Each member county of ETWI has developed strong education and workforce development programs. Now, the challenge is to make sure that stakeholders – students, parents, unemployed/underemployed, and employers – are aware of the education and workforce development initiatives that exist in each county and to ensure each program reaches its full potential.
- C. Guilford Technical Community College's FAME Partnership (Page 5)** – In the fall of 2022, Toyota announced they would be opening an electric vehicle battery plant in the Triad. In December 2022, Guilford Technical Community College was selected as the sole college partner for the First in Flight Chapter of the North Carolina FAME (Federation of Manufacturing Education) program to prepare the advanced manufacturing technician workforce for Toyota – a critical need - and other advanced manufacturers in the Triad and Carolina Core.
- D. "READY FOR SCHOOL, READY FOR LIFE" EARLY CHILDHOOD INITIATIVE PILOT (Page 6)** – Being able to coordinate care, monitor service, and track outcomes, is critical to the success of early childhood care programs. Ready Ready proposes to develop an Integrated Data System (IDS) that would do just that for 30,000 children and their families across dozens of agencies and non-profits and could be replicated across the state.

### **PRIORITY AREA: GROWING TOMORROW'S JOBS TODAY**

- E. AVIATION SALES & USE TAX EXEMPTIONS for MAINTENANCE, REPAIR & OPERATIONS (MRO) (Page 8)**  
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.

### **WE ALSO SUPPORT (Page 9)**

- High Point Furniture Market
- Downtown Revitalization
- Expand Medicaid Coverage
- Education
- Triad Center for Advanced Technology (TECAT)
- Steelhouse Center for Urban Manufacturing
- Infrastructure for Jobs
- Transportation

## PRIORITY AREA: BUILDING A WORKFORCE TO MEET CURRENT AND FUTURE NEEDS

**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 by 2030, because 51% of new jobs created in that time will be New Collar Jobs, requiring advanced skills training. Also, in the NC Triad's targeted clusters, the college-bound will also need advanced skills training.

### A. The Journey to R1 - North Carolina Agricultural and Technical State University

**ASK:**

- **\$10M in *recurring* funding to support new faculty and professional positions for new and existing programs.**
- **\$5M in *non-recurring* funds to continue to upgrade critical research labs and educational spaces.**

Currently ranked R2: High Research Activity in the Carnegie Classification for Institutions of Higher Education, N.C. A&T has made a public commitment to attain Carnegie's "Tier One" designation of research universities, R1: Very High Research Activity within the next 4 to 5 years.

The R1 designation is synonymous with academic and research excellence, which aligns with multiple development strategies at N.C. A&T aimed at ensuring students have access to the expertise, research facilities and curricula that will prepare them for graduate studies and make them competitive for top careers, especially in the STEM fields. The designation would place N.C. A&T (land-grant institution) among the nation's top public and private research universities, amplifying its statewide and national exposure to attract and recruit top students and outstanding faculty.

North Carolina A&T is requesting funds to support its continued pursuit of becoming a premier research institution by strategically expanding the diversity of its programs, research faculty and staff, research expenditures, and building infrastructure. Funds would support new faculty and professional positions for new and existing programs, such as postdoctoral scholars, research staff and professional advising staff. Additionally, support is needed for start-up funds for faculty and graduate student support.

## **B. EASTERN TRIAD WORKFORCE INITIATIVE LONG-TERM SUCCESS**

### **ASK:**

**Provide recurring funds to ensure the long-term success of Eastern Triad Workforce Initiative (ETWI) programs. \$4.5 million for FY 23-24 and \$4.5 million for FY 24-25.**

With the economic development success enjoyed in the past year by Piedmont Triad communities, an already strained workforce pipeline is being further challenged to meet employers' needs. To meet the rapidly growing needs of new and existing employers it is critical that members of the Eastern Triad Workforce Initiative (ETWI) in Alamance, Randolph, Rockingham, and Guilford counties build on the success of the program's pilot phase, and address the continuing challenges they face in reaching their target audiences – students, teachers, advisors, employers, unemployed, underemployed, and incumbent workers who need reskilling – to meet today's and tomorrow's workforce needs.

Funding for each county would be allocated based on population, with an additional 10% share going to Tier 1 counties (Randolph and Rockingham). To extend and maintain the level of program activity achieved during the pilot stage, the counties' funding levels for the implementation stage would be:

#### **FY 23-24**

Alamance County - \$847,500  
Randolph County - \$825,000  
Rockingham County - \$687,500  
Guilford County - \$2,140,000

#### **FY 24-25**

Alamance County - \$847,500  
Randolph County - \$825,000  
Rockingham County - \$687,500  
Guilford County - \$2,140,000

Each county would design its programming to best meet its employers' needs, including:

- Workforce development initiatives, including adult apprenticeships and work-based learning
- Apprenticeship and pre-apprenticeship program development and support
- Internship program development and support
- Employer support/wage reimbursement
- Teacher training and CTE development in school systems
- Expansion of hands-on programs in high schools
- Events at school systems and community colleges to raise program awareness
- Marketing/awareness campaigns
- Administrative support

It is important to note that the regional concept and approach taken by ETWI could be extended and replicated throughout the state, which was the original intent of ETWI's pilot program.

## **BACKGROUND**

### **ETWI Phase One - July 2018 through December 2019**

- Expanded youth apprenticeships, developed adult on-the-job training and incumbent worker training opportunities.
- Implemented broad-reaching regional marketing campaign; (Over 1100 leads and 4 million impressions through the digital marketing)
- Exponential growth:
  - 200% increase in participating advanced manufacturing and service technician companies
  - 400% increase in youth pre-apprenticeships

- 300% increase in adult-worker retraining
- 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 work opportunities.
- Built a best practice model for collaboration and communication with 24 stakeholders, including community colleges, K-12 public school systems, workforce development boards, chambers, youth apprenticeship consortiums, business and industry, and Junior Achievement.

### **ETWI Phase Two - September 2020 through December 2021**

The State’s allocation of CARES funding to ETWI focused on these four areas below to advance successes in phase one and build the momentum and impact of ETWI through the COVID-19 pandemic. These practices and resources contributed to ETWI’s impact, and remain in use.

- Disease Prevention
  - Provided PPE in workplace settings, recruitment events, school environments (K-12 and community colleges), and apprenticeship programs.
- Safe Outreach
  - Developed and filmed recruitment videos, mentor interviews, company tours.
  - Created a digital social media marketing campaign.
- Displaced Workers
  - Crafted and built the region’s first mobile career center (GuilfordWorks)
  - Developed on-the-job and incumbent worker training programs.
- Distance Learning
  - Purchased laptops, chrome books, and go-pros to increase access to virtual learning, film videos, and enhance classroom experiences.
  - Junior Achievement created a virtual platform so that middle school students could access virtual career fairs to advance career exploration. This is critical to increase the interest in high school work-based learning opportunities with employers.

### **ETWI Phase Three – January 2022 to Date**

- Create a stable, dedicated workforce to administer and advance ETWI-supported programs for youth and adults.
- Leverage state funding to match federal funding grant opportunities (EDA-Build Back Better and Good Jobs Challenge).
- Maintain virtual career programming.
- Launch Adult apprenticeships.
- Launch shorter credential programming to increase worker skills faster to fill available job opportunities.
- With the recent Toyota and other jobs announcements, having the workforce needed to fill current jobs, as well as these new jobs, is critical to ensure the growth of our regional economy.

## C. Guilford Technical Community College's FAME Partnership

### **ASK: \$8.3M in non-recurring funding in FY 23-24 for Federation of Manufacturing Education (FAME) Advanced Manufacturing Technician (AMT) program in FY23-24**

In the fall of 2022, Toyota announced they would be opening an electric vehicle battery plant in the Triad. In December 2022, Guilford Technical Community College was selected as the host school and sole partner for the First in Flight Chapter of the North Carolina FAME (Federation of Manufacturing Education) program to prepare the advanced manufacturing technician workforce for Toyota and other advanced manufacturers in the Triad and Carolina Core.

GTCC is requesting funding to renovate existing space to create a brand new, state-of-the-art facility to train the advanced manufacturing technician workforce with the latest equipment and technology being used in advanced manufacturing plants in our region, which will enable GTCC to train approximately 40 students per year for jobs paying about \$60,000 – a 27% annual ROI - \$2.4M in annual wages for a \$9M investment.

#### **Funding Breakdown**

**\$2M** – Space renovation for the preparation of 11,500 sq. ft. of lab and instructional space for the FAME/AMT program. With this funding, GTCC will be able to reallocate funds toward healthcare-related programs.

**\$6M** – Equipment for the FAME/AMT program to meet immediate needs of employers, including Toyota, without which GTCC will need to allocate a full two years of its entire equipment funding – funds that could otherwise be used for other programs.

**\$300,000** – To attract, hire and retain two FT faculty positions. Once hired they will be included in future FTE budgets.

#### **BACKGROUND**

The FAME USA model of education provides global-best workforce development through strong technical training and intentional hands-on experience within the curriculum whereby students earn an Associate of Applied Science degree in Advanced Manufacturing Technology (AMT). FAME was created by Toyota and moved to the Manufacturing Institute for national scaling in 2019. Today, the Manufacturing Institute, as the workforce development and education partner of the National Association of Manufacturers, manages FAME USA as it continues to grow across the country with the support of more than 400 manufacturers.

## D. “READY FOR SCHOOL, READY FOR LIFE” Integrated Data System for Tracking Outcomes of Early Childhood

**ASK: \$4.8M in FY23/24 to Fund Ready for School, Ready for Life Ages 0-3 Expansion and Addition of Ages 3-5 Strategies, Creating a Replicable Model for other NC Counties.**

Ready for School, Ready for Life (Ready Ready) is one of just two place-based initiatives in the nation for families with children ages 0-8 and is designed to ensure all children born here from 2023 onward receive the resources, support, and programs needed to be on track for kindergarten and find success in school by third grade. Success by third grade is the number one indicator of high school graduation and workplace performance.

While Ready Ready gets its start in Guilford County, the ability to replicate the system across other NC counties or regions has always been part of the mission. Every child deserves a great start in life, but not every child starts from the same place.

After years of development, testing, and governance policy, Ready Ready is officially launching the Integrated Data System (IDS) to strengthen the network of resources that support early childhood development. In 2024, we will begin to draft an IDS educational strategy to inform other counties of our IDS and Routes to Ready system implementation processes. The IDS developed by Ready Ready will dovetail with the objectives of NCCARE360 and can provide additional data to that system.

- Ready Ready is currently working with **94 percent of OB/GYN practices** in Guilford County. Families meet with an advocate we call navigators as part of our Routes to Ready system for families with children ages prenatal-3. Together, they map out each family’s unique situation and set a course to the most appropriate resources. Expansion to pediatric and family medicine offices is underway.
- The Routes to Ready system offers universal access – it is offered to every pregnant person in participating medical practices. Of the families who completed prenatal navigation services in 2021, **77 percent used Medicaid or were uninsured** – indicating their incomes are 196 percent below the federal poverty line. Every family has its unique parenting path and will require different resources, information, and support.
- Ready Ready will design, build, and administer an Integrated Data System (IDS) that enables care coordination, service monitoring, and outcomes tracking for over **30,000 young children and families** across dozens of agencies and nonprofits in Guilford County.
  - The IDS enables families with young children to be assessed for needs and to connect with programs/services that support their children’s healthy development. Program staff will reduce duplication of effort through better connection and communication. **Decision-makers will have access to data** about how community resources are used and where better outcomes may be achieved. Families will own their data and be able to decide when to share and with which program.

Success in Guilford County opens the possibility for other counties to receive similar investments and a roadmap for how to achieve results.

### BACKGROUND

- Eighty percent (80%) of brain development happens by age three, which builds the foundation for all future learning.

Babies' brains develop fastest from before birth to age three. So, their relationships with caregivers and early experiences—both positive and negative—build the foundations of brain architecture, which supports their ability to learn, their behavior, and their overall health.

- Positive experiences early in children's lives promote healthy physical development throughout the body, including the brain, the heart and lungs, the systems that turn food into energy, and the immune system. Negative experiences early in life can lead to long-term health problems such as high blood pressure, diabetes, heart disease, obesity, and mental health challenges.
- By investing in programs that support families with infants and toddlers, we can give more children a healthy foundation for life. That's why it's critical to support parents and babies early, so caregivers can prevent infants and toddlers from experiencing prolonged stress that can disrupt healthy development.
- Long-term economic benefits, including a larger future tax base and reduced social costs, will be achieved as more children enter kindergarten ready for school and life success.
- A robust number of organizations focused on human services and social supports are available in counties like Guilford, but they lack collaboration. The Integrated Data System will help break down these silos and address this issue to provide more cohesive referrals and support to families with young children.
- A healthy baby starts with a healthy mom. But more women in the United States die in childbirth than in any other developed country, and Black women are more than twice as likely to die than white women.
- All mothers need access to care during and after pregnancy, and they need access to regular well-child visits, screenings, and mental health care that give their babies the best start in life.

## PRIORITY AREA: GROWING TOMORROW'S JOBS TODAY

### E. AIRCRAFT PARTS SALES & USE TAX EXEMPTION for MAINTENANCE, REPAIR & OPERATIONS

**ASK:** 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.

#### AMENDMENT:

- **NCGS Article 5. Sales and Use Tax. § 105-164: Part 1. Title, Purpose and Definitions**
  - o (197) Qualified aircraft. – An aircraft with a maximum take-off weight of more than 2,000 pounds.
    - Which informs **§ 105-164.13. Part 3. Exemptions** (45d) Parts and accessories for use in the repair or maintenance of a qualified aircraft or a qualified jet engine.
  - o **With an effective date** as early as possible.

#### BACKGROUND

##### CURRENTLY EXEMPTED from NC S&U TAX on PARTS:

- Commercial Aircraft
- General Aviation Aircraft 9K-15K lbs Maximum Take-Off Weight (MTOW)
- General Aviation Aircraft 100K+ MTOW

##### CURRENTLY EXCLUDED, plus FISCAL AND ECONOMIC IMPACT

- **Emerging Technology/Product Sectors** 2K-9K MTOW and 15K-100K MTOW
  - o No fiscal impact (not yet in production)
  - o **Long-term** economic impact would be significant and rippling if new product sectors can be persuaded to cluster in NC.
- **General Aviation Aircraft** 2K-9K MTOW and 15K-100K MTOW
  - o **Fiscal Impact: \$420,000** estimated current annual S&U tax
  - o **Economic Impact:**
    - **\$16.8M Direct, near-term** additional annual revenue (estimated)
    - Additional **60 Aviation jobs**, average wage **\$70K**
    - **\$60M Indirect near-term** economic impact
  - o **NC's Mid-Atlantic MRO Market Share Impact** (VA, NC, SC, GA, FL + TN):
    - Without exemption
      - **S&U Tax drives MRO business to nearby competitor states** after warranty period (most goes to FL with no tax; also TN & GA with partial tax exemptions)
      - **Diminishes NC's standing** in the aviation and aerospace sector
    - **With exemption**
      - Estimated **near-term growth of Mid-Atlantic market share from 45% to 60%**.
      - **Significant near and long-term impact from meaningful progress toward status as a top-tier aviation/aerospace-friendly state** (along with FL, KS and WI)

As a **proven successful economic development strategy**, we have **exemptions for parts on commercial aviation aircraft and certain general aviation aircraft** (9K-15K and >100K MTOW aircraft.)

This leaves our companies servicing aircraft 2K-9K and 15K-100K MTOW **not competitive with the top aviation states in the US. Therefore, NC is losing millions of dollars in maintenance business and tax revenues - and lucrative prestige in this targeted cluster – to other states, particularly Florida.**

## WE ALSO SUPPORT

**HIGH POINT FURNITURE MARKET:** Thank you for funds: of \$1,700,000 for transportation through NCDOT and \$2,305,472 for marketing through NCDOC. Please continue these funds (in the same amounts) that support the High Point Market and its \$6.7 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.

**DOWNTOWN REVITALIZATION AS ECONOMIC DEVELOPMENT STRATEGY:** Vibrant downtowns lead to growth in the tax base and strengthen the ability to expand the economy and recruit new companies. We support the historic preservation tax credit and regulatory reform that supports downtown restaurants and other small businesses.

- Exciting progress is being made in High Point's Downtown Catalyst Project revitalization initiative has secured well over \$100M in public and private investment and includes a new multi-use stadium and Congdon Yards.
- Progress made in downtown Greensboro is equally exciting, with significant investment made by the public, private, and foundation sectors, including state funding. A recent citizen-approved \$25M bond and a new 10-year Strategic Vision Plan will carry us forward and may offer opportunities for the state to participate.

**EXPAND MEDICAID COVERAGE:** We support expansion of Medicaid coverage to qualifying North Carolinians. Expanded coverage improves health, stabilizes the insurance market, lowers costs to businesses, and has a positive impact on jobs.

**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: early childhood education, 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.

**Triad East Center for Advanced Technology (TECAT)** - Alamance Community College, Guilford Technical Community College, and Randolph Community College are partnering to develop the Triad Center for Advanced Technology (TECAT), an innovative, regional approach combining the talents and resources of the three community colleges in the eastern Triad. The purpose is to collaboratively offer curriculum and training programs, including internship and apprenticeship programs, to support Toyota and other advanced manufacturing companies along with opportunities for innovative public-private partnerships.

**NUSSBAUM STEELHOUSE CENTER FOR URBAN MANUFACTURING CENTER – Phase 1:** Located in an Opportunity Zone, and headed by the Nussbaum Center for Entrepreneurship, "The Steelhouse" will create a unique center of urban manufacturing and innovation. An estimated 600 jobs will be created/retained with an annual payroll of \$36M, and 40 CNC Machine Operators trained annually onsite.

**INFRASTRUCTURE FOR JOBS:** We support policies and investments that promote NC's job growth, and quality of life: adequate housing, roads, rail, airports, seaports, intermodal facilities, expanding broadband access, 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)
- Sandy Ridge Road improvements, I-40 to Market Street (\$18M),
- US 70 widening from east Greensboro to Burlington (\$80M).
- **GREENSBORO’S GATE CITY CORRIDOR IMPROVEMENT PLAN:** Gate City Boulevard serves as Greensboro’s “front door” as the main point of access to the Greensboro Coliseum from I-40. It also serves as a vital east-west connector for the city. By providing improvements for multi-modal transportation it will better connect the Coliseum and southern downtown sector to the Union Square campus.