Gulf Coast Workforce Development Initiative

Tim Horst Program Manager

September 30, 2006



Overview

Business Roundtable Members

A. O. Smith Corporation
ABB Inc.
Abbott Jaboratories
Accenture Ld.
AIP Products and Chemicals, Inc.
AK Steel Corporation
Alcos Inc.
AIR Steel Corporation
Alcos Inc.
Allson, Jr., Herbert M.
Allstade Insurance Company
All TEL Corporation
American Electric Power Company, Inc.
American Electric Power Company
Archonologic, Inc.
Ashinal Inc.
Ashinal Inc.
Ashinal Inc.
Ashinal Inc.
Basker International Inc.
Besthel Group, Inc.
BINST Railway Company
BPA America Inc.
Brist's Company
BPA Mareica Inc.
Cases New Holand Inc.
Coden New Holand Inc.
Coden Inc.
Coden Corporation
Chevon Corporation
Chevon Corporation
CidNA Corporation
CidNA

Computer Sciences Corporation
ComocoPhillips
Comestigs Corporation
Comonity Corporation
Corning Incorporated
Comestigs Corporation
Corning Incorporated
Come Co.
CSX Corporation
Cournins Inc.
DalmieChrysler Corporation
Deers & Company
Delotite & Touche USA LLP
Delphi Corporation
Dever Sc. Company
Duke Energy Corporation
Dulybort
Eastman Chemical Company
Eastman Company
Eastman Company
Eastman Company
Eastman Corporation
Epily Office Properties Trust
Empshard Corporation
Equity Office Properties Trust
Erms & Young, LLP
Exxon Mobil Corporation
Famile Mae
FedEx Corporation
FedEx Corporation
Ford Motor Company
FedEx Corporation
Ford Motor Company
FedEx Corporation
Ford Motor Company
FPL Group, Inc.
General Mills, Inc.
General Mills Company
Gen

Praxair Inc.
Pricowalethouse.Coopers LLP
Principal Financial Group
Procler & Cambie Company
Prudential Financial
Rockwell Automation, Inc.
Ryder System, Inc.
Sara Lee Corporation
SAS Institute inc.
Sara Lee Corporation
SAS Institute in Sast Inc.
Sara Lee Corporation
SAS Institute in Sast Inc.
Sara Lee Corporation
SAS Institute in Sast Inc.
Sara Lee Corporation
Sast Institute in Sast Inc.
Schmidder Mational, Inc.
Schmidder Mational, Inc.
Schmidder Mational, Inc.
Schmidder Sast Inc.



Unprecedented Damage



B

usiness Roundtable

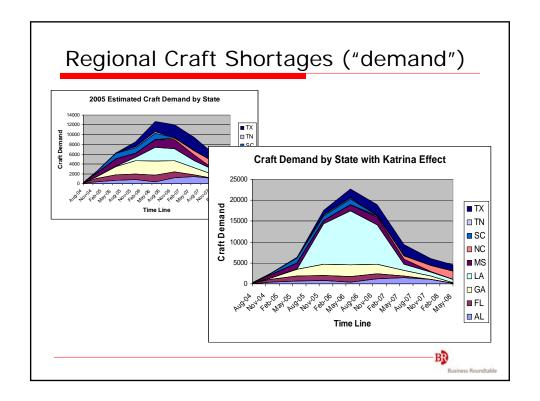




Post-Katrina: Overriding Concerns

- Unprecedented needs
 - 5.9 million people affected; 19% below the poverty line
 - 302,000 housing units destroyed or badly damaged
- □ Limited local reconstruction capability
 - Shortage of qualified construction workers even before Katrina
- ☐ Alignment between government, contractors, and facility owners to:
 - Strengthen local skills and commercial capability
 - Speed reconstruction
 - Ensure long-term recovery and growth





Craft Shortages

- ☐ How Big a Shortage?
 - **1**0,000?
 - **2**0,000?
 - **50,000?**
 - **1**00,000?
 - **200,000?**

- □ When Will it Hit?
 - December '06?
 - March '07
 - June '07
 - Or, is it already here?



Mitigation Strategies

- ☐ Letters of intent signed with local contractors
 - Contractor commitment to supply key project team members and 1/3 to 1/2 of its normal craft workforce for upcoming work
- □ Aggressive local recruiting and training programs
 - Compensate trainees while in training
 - Accelerated skills specific training
- ☐ Craft recruitment and retention incentives
 - Sign-on bonus
 - Job completion bonus
 - Enhanced craft benefits (per diem, gas money, relocation benefits)



siness Roundtable



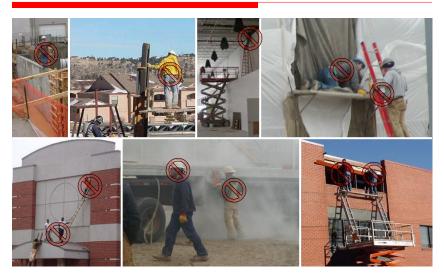
Thousands of indigenous people trained each year in construction trades and management around the world



Marathon/Bechtel Training Center in Malabo, Equatorial Guinea, 2005



Why Train? What if we do nothing and let the problem solve itself?



Business Roundt

Key Components of a Successful Program

- □ Public-Private partnership between governments, owners, and contractors
- Maximize local hiring
- ☐ Train local workforce in the skills needed for reconstruction



□ Adjust the plan as conditions change



Facility Owner Interests

- □ Re-build damaged facilities
- □ Train workers
- ☐ Employee housing
- Help local economy

Among impacted Business Roundtable member owners: Air Products **American Express** BP **CNF** CSX Chevron Exxon Mobil International Paper JP Morgan Chase National Gypsum Norfolk Southern Procter & Gamble Schneider National Southern Company Yellow Roadway



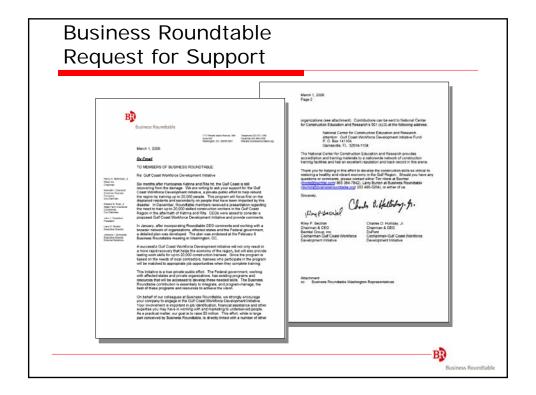
iness Roundtable

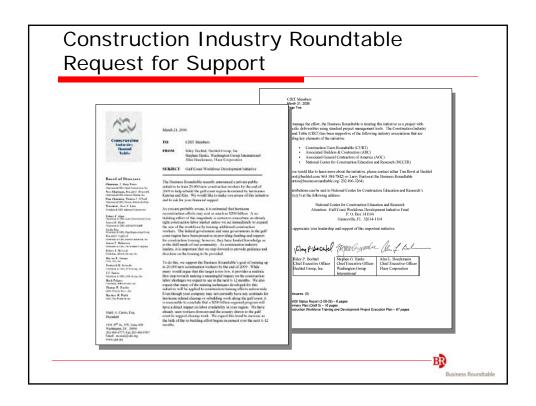
Initiative Vision

- □ Support nation's goal to re-construct areas devastated by Hurricane Katrina
- Provide meaningful employment and career opportunities for local residents
- ☐ Assist people who have been displaced as a result of the hurricane to return to their home locations
- ☐ Attract additional qualified workers into the construction industry
- Manage the effort like a project

<u>Initiative Goal</u>: Up to 20,000 displaced and/or disadvantaged workers trained to at least apprentice level by the end of 2009, implemented via public-private partnership









Training Project

- ☐ Use existing industry-standard training curriculum, processes and facilities to deliver training
 - NCCER training curriculum
 - ABC training schools
 - Local community colleges
 - Building trades training centers
- Only train workers for real jobs as requested by contractors
- □ Provide targeted marketing and communications to support recruitment
- Use government funded scholarships and grants
 - Small, disadvantaged firms
 - Local hiring



Organizations

- ☐ American Association of Community Colleges
- Associated Builders and Contractors, Inc. (ABC) and local chapters
- Associated General Contractors (AGC) of America and local chapters
- Building and Construction Trades
 Department, AFL-CIO and its
 affiliates
- National Construction Alliance (NCA)
- Business Roundtable
- Construction Industry Roundtable (CIRT)
- □ Construction Users Roundtable (CURT)
- Department of Labor
- Greater Baton Rouge Industry Alliance (GBRIA)
- ☐ Home Builders Institute

- Louisiana Department of Labor
- Louisiana Technical and Community College System
- Louisiana Recovery Authority
- ☐ Louisiana Office of the Workforce Commission
- □ Lake Area Industry Alliance
- ☐ Mississippi Construction Education Foundation
- Mississippi Department of Employment Security
- ☐ Mississippi Development Authority
- Mississippi Governor's Office of Recovery & Renewal
- Mississippi State Board for Community & Junior Colleges
- National Center for Construction Education and Research (NCCER)
- □ National Petrochemical and Refiners Association (NPRA)
- Office of the Federal Coordinator for Gulf Coast Rebuilding

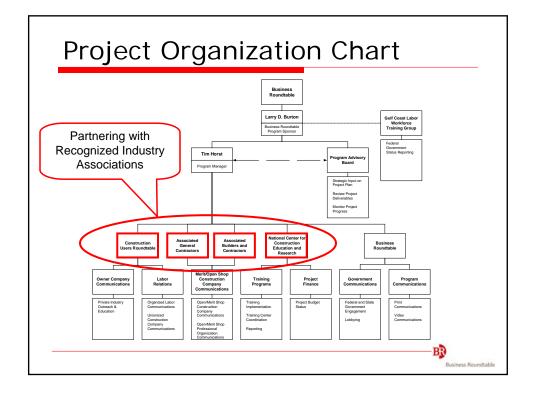


Business Roundtable

Project Focus Areas

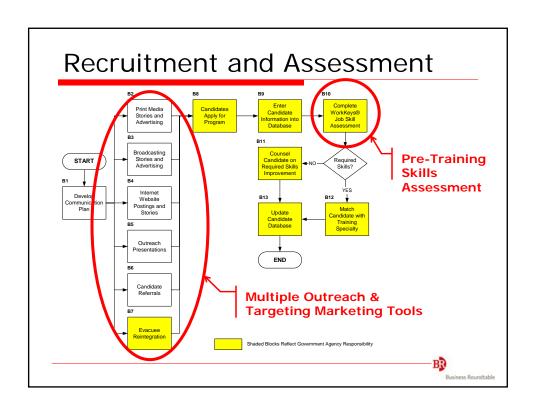
- Owner company communications
- Organized labor and union construction company communications
- ☐ Federal and state government communications, engagement and lobbying
- Open-shop and Merit-shop construction company communications
- □ Training program standards and oversight
- □ Recruitment and targeted marketing
- Project finance

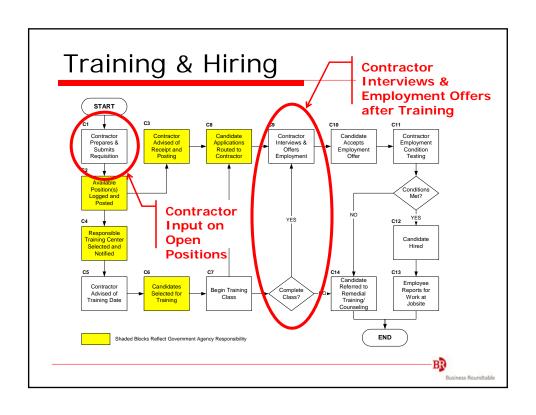




Q1	Q2	Q3	Q4	Q1	Q2				2008		2009				
1					QZ	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	c
	1	1	1	0.5	0.5	0.25	0.25	0.25	0.25	0.1	0.1	0.1	0.1	0.1	0
1	1	1	1	0.5	0.5	0.5	0.5	0.25	0.25	0.25	0.25				
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25								
1	1	1	1	0.5	0.5	0.5	0.5	0.25	0.25	0.25	0.25				
1	4	4	2	1	1	1	1	0.5	0.5	0.5	0.5	0.25	0.25	0.25	0.
1	1	0.5	0.5	0.25	0.25	0.25	0.25	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.
1	1	1	0.5	0.5	0.5	0.25	0.25	0.25	0.25	0.25	0.25				
	4														
	1	0.5	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.
6.25	14.25	9.25	6.5	3.75	3.75	3.25	3.25	1.85	1.85	1.7	1.7	0.7	0.7	0.7	0
	0.25 1 1 1 1	0.25 0.25 1 1 1 4 1 1 1 1 4	0.25 0.25 0.25 1 1 1 1 4 1 1 0.5 1 1 1 4 4	0.25 0.25 0.25 0.25 1 1 1 1 1 1 4 4 2 1 1 0.5 0.5 1 1 0.5 0.5 4	0.25 0.25 0.25 0.25 0.25 1 1 1 1 0.5 1 4 4 2 1 1 1 0.5 0.5 0.5 1 1 1 0.5 0.5 4 25 0.25	0.25 0.25 0.25 0.25 0.25 0.25 1 1 1 1 0.5 0.5 1 1 1 1 0.5 0.5 0.25 1 1 1 1 0.5 0.5 0.5 0.25 0.25 1 1 1 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.5 0.5 0.5 0.5 0.5 0.25	0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.25 0.5 0.5 0.5 0.5 0.5 0.5 0.25<	0.25 0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""></td<></th></td<></th></td<></th></td<></th></td<></th></td<></th></td<>	0.25 0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""></td<></th></td<></th></td<></th></td<></th></td<></th></td<>	0.25 0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""></td<></th></td<></th></td<></th></td<></th></td<>	0.25 0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""></td<></th></td<></th></td<></th></td<>	0.25 0.25 <td< th=""><th>0.25 <td< th=""><th>0.25 <td< th=""></td<></th></td<></th></td<>	0.25 0.25 <td< th=""><th>0.25 <td< th=""></td<></th></td<>	0.25 0.25 <td< th=""></td<>

Work Process Public-Private partnership to address the problem and develop solutions Targeted marketing & recruitment to communicate: The problem The career opportunities in construction How to access job training for real jobs Leverage current federal and state programs Partner with other industry wide workforce training initiatives to deliver one solution





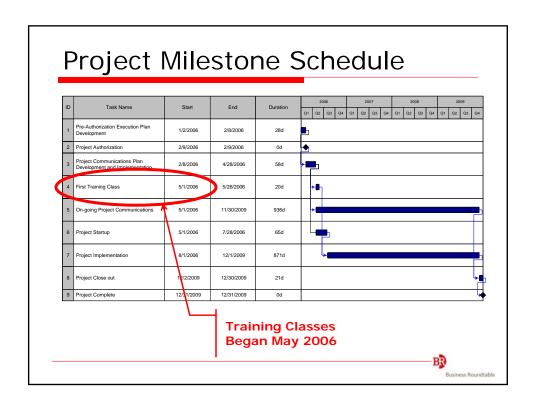
Initiative Plan

- ☐ Training paced to meet local re-construction demands
- ☐ Leverage existing government programs
 - US Department of Labor's *Pathways to Construction* grants
 - National Emergency Grants
 - State Training Grants
- ☐ Use existing industry training processes, instructors and facilities

Training Plan & Tuition Budget

	2006	2007	2008	2009	Total
Trainees	2500	7500	7500	2500	20,000
Training Tuition	\$3,125,000	\$9,375,000	\$9,375,000	\$3,125,000	\$25,000,000
Program Management	\$3,525,000	\$865,000	\$430,000	\$180,000	\$5,000,000
Total	\$6,650,000	\$10,240,000	\$9,805,000	\$3,305,000	\$30,000,000







Contractor Information Meetings

Baton Rouge, LA - March 30, 2006





Project Challenges

- Housing
- □ Identifying real jobs
- ☐ Developing an effective targeted marketing and recruitment plan
- ☐ Matching training candidates to open positions
- □ Delivering just-in-time training that adds value

"Housing my employees is the biggest problem I have. I've got 10 camper trailers in my parking lot right now."

Bret Ellis President Ellis Construction New Orleans

Source: CityBusiness March 20, 2006



Temporary Housing



MATTER COPILITIES

Severely Damaged Home Repairs (6)

	Occupied Housing Units	Percent Severely Damaged	Median Repair Cost	Total Repair Cost
St. Bernard Parish, LA	25,123	81%	\$142,612	\$2,902,000,000
Cameron Parish, LA	3,592	90%	\$126,657	\$409,000,000
Plaquemines Parish, LA	9,021	80%	\$96,176	\$694,000,000
Orleans Parish, LA	188,251	72%	\$103,955	\$14,090,000,000
St. Tammany Parish, LA	69,253	71%	\$87,521	\$4,303,000,000
Jefferson Parish, LA	176,234	52%	\$67,248	\$6,162,000,000
Vermilion Parish, LA	19,832	39%	\$55,809	\$432,000,000
Hancock County, MS	16,897	90%	\$115,091	\$1,750,000,000
Harrison County, MS	71,538	68%	\$102,755	\$4,999,000,000
Stone County, MS	4,747	68%	\$46,787	\$151,000,000
Jackson County, MS	47,676	64%	\$79,479	\$2,425,000,000
Total				\$35,742,000,000

(6) Neighborhood Damage and Federal Resources for Neighborhood Reconstruction, HUD Office of Policy Development and Research

Housing Initiatives

- ☐ The Shaw Group and KB Homes have partnered for home construction in the New Orleans area
- □ AFL-CIO Gulf Coast Revitalization Program designed to produce affordable housing for New Orleans and other coastal communities
- ☐ Gulf Coast Renaissance Corporation formed to spur construction of 100,000 homes in Southern Mississippi
- ☐ The \$1 Billion Dollar Gulf Coast Rebuilding Challenge formed to provide capital for rebuilding efforts



Restraints to Starting Work

- ☐ Resolution of Insurance Claims
- ☐ Resolution of zoning requirements
- □ Payment of federal home owner grants
- ☐ Property owners returning to the area

Current forecast is that work will begin in first quarter 2007



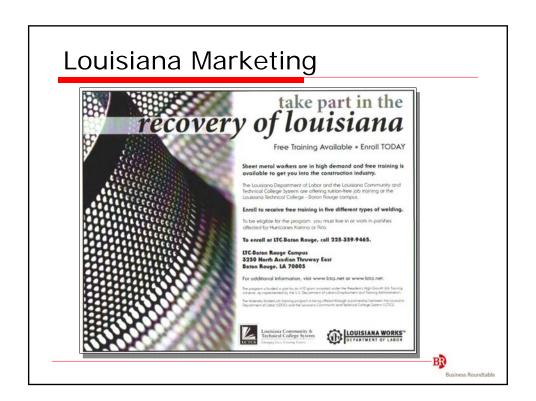
Recruiting

10 Questions

- 1. What kind of job is available?
- 2. What is the location of the first project assignment?
- 3. What are the job duties?
- 4. How much does the job pay?
- 5. What kind of benefits are available?
- 6. Is housing available near the project?

- 7. Are schools available near the project for my children?
- 8. How long will this project assignment last?
- 9. Will work be available when this project is completed?
- 10. What kind of job can I expect to have in 3-5 years?





What's Needed

- More aggressive, proactive outreach
- □ Consistent messaging
- □ Rallying point for efforts currently underway
- □ Use a wide range of marketing tools to meet recruitment goals



Pilot Marketing Program

- ☐ Branded program run in two markets that combine the best of:
 - Community outreach: builds and leverages network of involvement and support
 - Political campaign: has clarity of focus on achieving a major goal; continuous evaluation and refinement
 - <u>Direct marketing program</u>: efficiency of direct to consumer approach
- □ Pilot markets
 - Baton Rouge, LA and Jackson, MS



Marketing Program

- Marketing communications
 - Personal
 - Positive
 - Easy to understand
- Local outreach
 - Liaison with local news outlets and partners
 - Local outreach efforts
 - ☐ faith-based groups
 - community service organizations
 - schools/educators
 - elected officials
 - □ local chapters of partner groups



Messages and Tools

- Key messages
 - Create a new, rewarding career for yourself
 - Improve your job opportunities
 - Be part of this historic rebuild
 - Give back to your community
- Tools
 - Name and brand materials (logo, color scheme, etc.)
 - Website
 - Event collateral (banners, posters, flyers, bumper stickers, etc.)
 - Radio ads
 - Media materials
- ☐ Design for use as stand-alone piece or as part of partners' label



Local Field Staff

- □ Drive people to website, toll-free number or community event
- □ Provide details of the program
 - What's available
 - Eligibility criteria
 - How to sign up
- ☐ Conduct an initial assessment (few basic questions)
- Answer questions
- □ Collect contact information
- ☐ Referral to appropriate training program



GREAT

GULF REBUILD: EDUCATION, ADVANCEMENT AND TRAINING



Business Roundtable



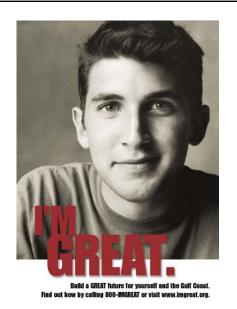
Proposed targeted marketing campaign built around simple, positive messaging



Campaign messaging will focus on teamwork and involvement in a worthwhile endeavor





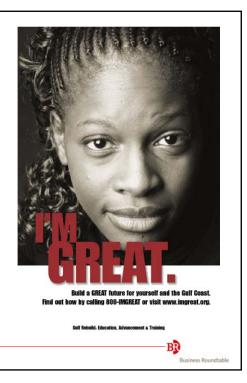


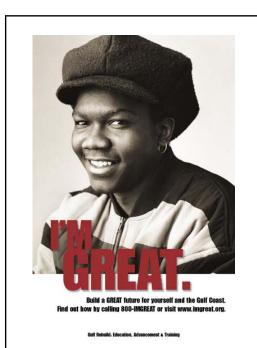
Campaign messaging seeks to connect a personal sense of self-worth with participation in the construction industry





Campaign messaging tested during roll-out in pilot markets

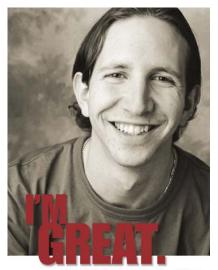




Creative materials provided to all partner organizations involved in recruiting and training construction workers to ensure consistent messaging

Business Roundtable

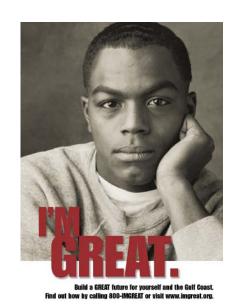
Campaign messaging generic enough to be used in all regions and all types of construction



Build a GREAT future for yourself and the Gulf Coast.

Gulf Rebuild, Education, Advancement & Training



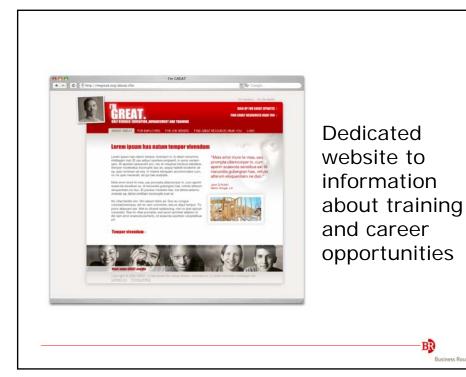


If proven successful in the gulf region, the campaign could be used for nation-wide construction industry recruitment

iff Rebuild: Education, Advancement & Trainin

BR

iness Roundtable



Website to be kept current with news, events, real life stories and information with life stories and information on how to sign up for training

Education Shortfall

- ☐ In Mississippi, the high school drop out rate is 35%
 - Equivalent of 36 students a day
 - Over 13,000 per year
- □ Rates in other southeastern states are not much better
 - Alabama 38%
 - Florida 41%
 - Georgia 46%
 - Louisiana 31%
 - Texas 33%

"Students who fail to graduate from high school face a very bleak future. Because the basic skills conveyed in high school and higher education are essential for success in today's economy, students who do not receive these skills are likely to suffer with significantly reduced earnings and employment prospects."

Jay P. Greene, Ph. D., Senior Fellow, The Manhattan Institute for Policy Research



Progress

Recruitment Progress

Call Center Activity for Week Ending

	20-Aug	27-Aug	3-Sep	10-Sep	Total
Louisiana	677	271	72	82	1102
Mississippi	61	61	19	35	176
Total	738	332	91	117	1278



Marketing Effectiveness

Call Center Activities for Week Ending 10-Sep

Media Source	Total
Billboards/Bus Shelter Ads	2
Radio Advertisement	48
Television Coverage	9
Other (Personal Referral, Collateral Event)	58
Total	117



		gres				
	28-Aug	4-Sep	11-Sep	18-Sep	25-Sep	2-Oct
Louisiana Constructio	n Training					
Completed Training	130	130	187			
In Training	114	114	232			
Scheduled	232	232	145			
Total	476	476	555			
Mississippi Constructi	on Training					
Completed Training	155	188	257			
In Training	48	6	33			
Scheduled	22	31	37			
Total	225	225	327			

Needs

Needs

- Private Industry
 - In-kind labor and cash contributions to the initiative
 - Work in collaboration to deliver one solution to the problem
 - Focused marketing to displaced local residents
- □ Facility Owners
 - Include contract requirements for contractor training programs
 - Provide opportunities through socio-economic outreach activities
- Contractors
 - Identify the skills needed for recovery work operations
 - Support the program by hiring trainees

- ☐ State & Local Government
 - Provide guidance on local conditions that may impact the Public-Private training initiative
 - Source qualified in-state and out-of-state training candidates
 - Provide remedial skills training and counseling
- Federal Government
 - Grants and other forms of financial aid for training
 - Allowable cost provisions in construction procurements
 - Identify the current locations of displaced local residents
 - Socio-economic outreach requirements
 - Patience



Open Discussion