Gulf Coast Workforce Development Initiative

**Tim Horst**
Program Manager

September 30, 2006

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**Overview**
## Business Roundtable Members

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. O. Smith Corporation</td>
<td>ConocoPhillips</td>
</tr>
<tr>
<td>ABB Inc.</td>
<td>Corning Incorporated</td>
</tr>
<tr>
<td>Acme United</td>
<td>CPM Group, Inc.</td>
</tr>
<tr>
<td>Air Products and Chemicals, Inc.</td>
<td>Deere &amp; Company</td>
</tr>
<tr>
<td>Altice USA, Inc.</td>
<td>Delphi Corporation</td>
</tr>
<tr>
<td>Aon Corp.</td>
<td>Delta Air Lines, Inc.</td>
</tr>
<tr>
<td>Allstate Insurance Company</td>
<td>Discover Financial Services</td>
</tr>
<tr>
<td>Allegheny Energy</td>
<td>Discover Financial Services Group</td>
</tr>
<tr>
<td>Albertsons Companies, Inc.</td>
<td>Dyson, Inc.</td>
</tr>
<tr>
<td>Alcoa Inc.</td>
<td>Eagan, Inc.</td>
</tr>
<tr>
<td>Allstate Corporation</td>
<td>Ecolab, Inc.</td>
</tr>
<tr>
<td>Allstate Life Insurance Company</td>
<td>Edgewood</td>
</tr>
</tbody>
</table>
Clean-up Still On-Going

Reconstruction
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

Regional Craft Shortages ("demand")
Craft Shortages

☐ How Big a Shortage?
   - 10,000?
   - 20,000?
   - 50,000?
   - 100,000?
   - 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)
Construction Industry Experience

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?
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
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

Initiative Goal: 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

Business Roundtable Request for Support
Construction Industry Roundtable
Request for Support

Contribution Commitments

- AIG
- A.O. Smith
- Accenture
- Air Products and Chemicals
- American Electric Power (AEP)
- American Express
- Associated Builders & Contractors
- Associated General Contractors
- BE&K
- Bechtel Corporation
- Business Roundtable
- Chevron Corporation
- Dow Chemical Co.
- Duke Energy Corporation
- DuPont
- ExxonMobil
- Fannie Mae
- FedEx
- Fisher Scientific International
- General Electric
- JPMorgan Chase
- McKesson
- NCCER
- National Gypsum (CD Spangler Foundation)
- PB Foundation (Parsons Brinckerhoff)
- Pfizer Inc.
- Rohm and Haas Company
- Shaw Group
- Sprint Foundation (Sprint Nextel)
- St. Paul Travelers Companies
- Washington Group Int’l
- Xerox

Additional contributions pending internal approvals
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
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

Project Organization Chart

Partnering with Recognized Industry Associations
## Project Staffing Plan

<table>
<thead>
<tr>
<th>Position</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Manager</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Owner Company Communications Sub-project</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Labor Relations Sub-project</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td>Merit/Open-Shop Construction Company Communications Sub-project</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Training Programs Sub-project</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Government Communications Sub-project</td>
<td>1</td>
<td>1</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Marketing Sub-project</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>- Consultants</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Finance Sub-project</td>
<td>1</td>
<td>0.5</td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td>Total Full-Time Equivalent Personnel</td>
<td>6.25</td>
<td>14.25</td>
<td>9.25</td>
<td>6.5</td>
</tr>
</tbody>
</table>

PEAK STAFFING IN 2006

## 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
Recruitment and Assessment

Pre-Training Skills Assessment

Multiple Outreach & Targeting Marketing Tools

Shaded Blocks Reflect Government Agency Responsibility

Training & Hiring

Contractor Interviews & Employment Offers after Training

Contractor Input on Open Positions

Shaded Blocks Reflect Government Agency Responsibility

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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**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Tuition</td>
<td>$3,125,000</td>
<td>$9,375,000</td>
<td>$9,375,000</td>
<td>$3,125,000</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Program Management</td>
<td>$3,525,000</td>
<td>$865,000</td>
<td>$430,000</td>
<td>$180,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,650,000</td>
<td>$10,240,000</td>
<td>$9,805,000</td>
<td>$4,945,000</td>
<td>$30,000,000</td>
</tr>
</tbody>
</table>

**Project Milestone Schedule**

- **Training Classes** Began May 2006
Mississippi Project Outreach

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
## Severely Damaged Home Repairs

<table>
<thead>
<tr>
<th>Parish</th>
<th>Occupied Housing Units</th>
<th>Percent Severely Damaged</th>
<th>Median Repair Cost</th>
<th>Total Repair Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Bernard Parish, LA</td>
<td>25,123</td>
<td>81%</td>
<td>$142,612</td>
<td>$2,902,000,000</td>
</tr>
<tr>
<td>Cameron Parish, LA</td>
<td>3,592</td>
<td>90%</td>
<td>$126,657</td>
<td>$409,000,000</td>
</tr>
<tr>
<td>Plaquemines Parish, LA</td>
<td>9,021</td>
<td>80%</td>
<td>$96,176</td>
<td>$694,000,000</td>
</tr>
<tr>
<td>Orleans Parish, LA</td>
<td>188,251</td>
<td>72%</td>
<td>$103,955</td>
<td>$14,090,000,000</td>
</tr>
<tr>
<td>St. Tammany Parish, LA</td>
<td>69,253</td>
<td>71%</td>
<td>$87,521</td>
<td>$4,303,000,000</td>
</tr>
<tr>
<td>Jefferson Parish, LA</td>
<td>176,234</td>
<td>52%</td>
<td>$67,248</td>
<td>$6,162,000,000</td>
</tr>
<tr>
<td>Vermilion Parish, LA</td>
<td>19,832</td>
<td>39%</td>
<td>$55,809</td>
<td>$432,000,000</td>
</tr>
<tr>
<td>Hancock County, MS</td>
<td>16,897</td>
<td>90%</td>
<td>$115,091</td>
<td>$1,750,000,000</td>
</tr>
<tr>
<td>Harrison County, MS</td>
<td>71,538</td>
<td>68%</td>
<td>$102,755</td>
<td>$4,999,000,000</td>
</tr>
<tr>
<td>Stone County, MS</td>
<td>4,747</td>
<td>68%</td>
<td>$46,787</td>
<td>$151,000,000</td>
</tr>
<tr>
<td>Jackson County, MS</td>
<td>47,676</td>
<td>64%</td>
<td>$79,479</td>
<td>$2,425,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>253,689</strong></td>
<td><strong>68%</strong></td>
<td><strong>$1,034,612</strong></td>
<td><strong>$35,742,000,000</strong></td>
</tr>
</tbody>
</table>

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

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### 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

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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?

Louisiana Marketing
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
  - Direct marketing program: 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
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.

Branded products used to carry the message beyond the initial contact.
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
Campaign messaging generic enough to be used in all regions and all types of construction

If proven successful in the gulf region, the campaign could be used for nation-wide construction industry recruitment
Dedicated website to information about training and career opportunities

Website to be kept current with news, events, real 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

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Progress
## Recruitment Progress

### Call Center Activity for Week Ending 10-Sep

<table>
<thead>
<tr>
<th></th>
<th>20-Aug</th>
<th>27-Aug</th>
<th>3-Sep</th>
<th>10-Sep</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Louisiana</td>
<td>677</td>
<td>271</td>
<td>72</td>
<td>82</td>
<td>1102</td>
</tr>
<tr>
<td>Mississippi</td>
<td>61</td>
<td>61</td>
<td>19</td>
<td>35</td>
<td>176</td>
</tr>
<tr>
<td>Total</td>
<td>738</td>
<td>332</td>
<td>91</td>
<td>117</td>
<td>1278</td>
</tr>
</tbody>
</table>

## Marketing Effectiveness

### Call Center Activities for Week Ending 10-Sep

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billboards/Bus Shelter Ads</td>
<td>2</td>
</tr>
<tr>
<td>Radio Advertisement</td>
<td>48</td>
</tr>
<tr>
<td>Television Coverage</td>
<td>9</td>
</tr>
<tr>
<td>Other (Personal Referral, Collateral Event)</td>
<td>58</td>
</tr>
<tr>
<td>Total</td>
<td>117</td>
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</tbody>
</table>
## Training Progress

### Louisiana Construction Training

<table>
<thead>
<tr>
<th></th>
<th>28-Aug</th>
<th>4-Sep</th>
<th>11-Sep</th>
<th>18-Sep</th>
<th>25-Sep</th>
<th>2-Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Training</td>
<td>130</td>
<td>130</td>
<td>187</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Training</td>
<td>114</td>
<td>114</td>
<td>232</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled</td>
<td>232</td>
<td>232</td>
<td>145</td>
<td></td>
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<tr>
<td>Total</td>
<td>476</td>
<td>476</td>
<td>555</td>
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### Mississippi Construction Training

<table>
<thead>
<tr>
<th></th>
<th>2-Oct</th>
<th>4-Sep</th>
<th>11-Sep</th>
<th>18-Sep</th>
<th>25-Sep</th>
<th>2-Oct</th>
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</thead>
<tbody>
<tr>
<td>Completed Training</td>
<td>155</td>
<td>188</td>
<td>257</td>
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<tr>
<td>In Training</td>
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<td>33</td>
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<tr>
<td>Scheduled</td>
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<tr>
<td>Total</td>
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<td>225</td>
<td>327</td>
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</table>

## Needs
## Needs

<table>
<thead>
<tr>
<th>Private Industry</th>
<th>State &amp; Local Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-kind labor and cash contributions to the initiative</td>
<td>Provide guidance on local conditions that may impact the Public-Private training initiative</td>
</tr>
<tr>
<td>Work in collaboration to deliver one solution to the problem</td>
<td>Source qualified in-state and out-of-state training candidates</td>
</tr>
<tr>
<td>Focused marketing to displaced local residents</td>
<td>Provide remedial skills training and counseling</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facility Owners</th>
<th>Contractors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include contract requirements for contractor training programs</td>
<td>Identify the skills needed for recovery work operations</td>
</tr>
<tr>
<td>Provide opportunities through socio-economic outreach activities</td>
<td>Support the program by hiring trainees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contractors</th>
<th>Federal Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the skills needed for recovery work operations</td>
<td>Grants and other forms of financial aid for training</td>
</tr>
<tr>
<td>Support the program by hiring trainees</td>
<td>Allowable cost provisions in construction procurements</td>
</tr>
</tbody>
</table>

## Open Discussion