

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND WORKFORCE SERVICES INTERIM COMMITTEE**

Wednesday, July 17, 2013 – 2:00 p.m. – Room 20 House Building

Members Present:

Sen. Aaron Osmond, Senate Chair
Rep. Rebecca P. Edwards, House Chair
Sen. Patricia W. Jones
Sen. Stuart C. Reid
Sen. Brian E. Shiozawa
Sen. Jerry W. Stevenson
Rep. Jim Bird
Rep. Rich Cunningham
Rep. Lynn N. Hemingway
Rep. Bradley G. Last

Rep. Ronda Rudd Menlove
Rep. Kraig Powell
Rep. Angela Romero
Rep. Dean Sanpei
Rep. Brad R. Wilson

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Mr. Peter L. Asplund, Associate General
Counsel
Ms. Debra Hale, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Osmond called the meeting to order at 4:24 p.m.

MOTION: Rep. Cunningham moved to approve the minutes of the June 19, 2013, meeting. The motion passed unanimously. Sen. Reid, Rep. Hemingway, Rep. Last, and Rep. Sanpei were absent for the vote.

2. Development of Utah's Future Workforce for Economic Development

Mr. Jeff Nelson, President and Chief Executive Officer, Nelson Laboratories, stated that the number one challenge for his company is to find applicants proficient in writing skills, science, technology, engineering, and math. He said many students believe these skills are outside of their capabilities and that many also lack practical training.

Mr. Hoby Darling, President and Chief Executive Officer, Skullcandy, stated that he employs people from around the world and emphasized the need for technical and creative talent to assist current and future job growth for businesses. Referring to the challenges in attracting talent, he listed: 1) the strange way the state is viewed until people visit and see it is an amazing place to live; and 2) the difficulty in finding housing in the Park City area. He said connecting creativity and design with product development is also difficult. He further mentioned that applicants deciding whether to work at Skullcandy look at employment opportunities for their spouses and where they could find work in the event they leave Skullcandy.

Ms. Leslie McMann, Director of Talent, Skullcandy, explained that people hesitate to come to the state because it is considered conservative. However, she continued, once they visit the state and meet people born and raised here, they find that, in spite of the different culture, Utah people are friendly and nice. She referred to the state's outstanding outdoor recreation opportunities as attractive to out-of-state visitors.

Mr. Vance Checketts, Vice President, EMC Corporation, reviewed his visual presentation "EMC & Utah" by describing the role of the city of Draper inside EMC and how EMC has strengthened the state's economy. He informed the committee that EMC chose the Draper location because of its large population and its close proximity to several universities. He said that EMC has hired 700 people in two years and that the applicant qualifications EMC seeks are a bachelor's degree in information and management

systems, proficiency in information technology, and interpersonal skills. He said that EMC offers employees the opportunity to grow and plans to hire hundreds of additional workers.

Mr. Checketts offered the following suggestions for Utah's Legislature that will help EMC and its workforce meet the challenges of growth: 1) increase educational focus on foundational technologies in addition to mobile and social (i.e., big data, storage, and security); 2) broaden the educational focus to include full technology lifecycle (design, build, test, deploy, operate, monitor, and fix) for both hardware and software; 3) encourage job-ready graduates (internships and hands-on training); 4) provide incentives for corporate and educational alliances; and 5) increase student diversity in the study of science, technology, engineering, and math, including gender diversity. He said that Draper's mayor and city council have been supportive and enjoyable to work with.

In responding to committee member questions, Mr. Checketts listed the incentives that brought EMC to Utah: 1) a stable economy and solid infrastructure; 2) tech-friendly state with skilled candidates, resources, second-language capabilities, and government incentives; 3) geographic proximity to EMC on the east and west coast without the high costs; and 4) proximity to key federal operations and customers.

Ms. Christina Colosimo, Change Management Specialist, L-3 Communications Systems - West, described L-3 and stated that it has highly trained technical employees. However, she continued, competing for technical talent is a problem, so the company provides specialized training to fit its particular business needs. She said the company attracts talent and recruits interns by partnering with local agencies and developing strong relationships with Clearfield Job Corps and higher educational institutions around the nation.

Ms. Colosimo informed the committee that low wages present a problem when looking outside of the state for technical talent. She added that science, technology, engineering, and math initiatives are important and the state is doing well, but technical education is still a problem. She said that L-3 offers tuition reimbursement for training and advanced degrees, and it utilizes partnerships with education to attract students willing to go into these programs.

Sequestration has had a huge impact on L-3, Ms. Colosimo said, and it needs students who are agile and can think critically. She explained that students often do not approach work in the way L-3 expects. She said L-3 needs students willing to put in a hard, full day's work.

Ms. Colosimo concluded that L-3 can make the biggest difference in the classroom by meeting with students and their parents. She suggested that the Legislature can make the biggest difference by supporting education and initiatives for custom fits and solutions and continuing to support businesses.

Ms. Annie Stanish, Corporate Recruiter, ENVE Composites, Ogden, described the company as small but growing. She noted that the overall quality of candidates in the state is good and requested that the state continue to focus on education. She stated that a workforce that is educated, well prepared, and available to meet the challenges of the job market is vital to the economic success of Utah businesses, especially in Ogden. Ms. Stanish said that recruiting challenges include finding good schools for executives' children, particularly in Ogden, and finding skilled labor for hourly manufacturing.

Mr. Spencer P. Eccles, Executive Director, Governor's Office of Economic Development (GOED), began his visual presentation by describing the Governor's Economic Council and GOED and stating that an important challenge for both is to create jobs to meet industry's needs with a unified education plan focusing on science, technology, engineering, and math.

Mr. Vincent Mikolay, Managing Director, Business Outreach and International Trade, Governor's Office of Economic Development, pointed out that the state needs to do a better job of attracting job seekers. He presented GOED's ideas of the realignment of clusters, providing the Department of Workforce Services with job training funds, promoting Economic Development Tax Increment Financing (refundable tax credit), and corporate recruitment programs as solutions. He stated that students need to be given real-world problems to solve.

Mr. Mikolay explained that Utah is seen as a stable environment and is marketing to attract companies to relocate to the state by developing partnerships with industry.

3. Other Committee Business/Adjourn

MOTION: Rep. Cunningham moved to adjourn the meeting. The motion passed unanimously. Rep. Bird, Rep. Hemingway, Rep. Menlove, Rep. Powell, Rep. Sanpei, and Rep. Wilson were absent for the vote.

Chair Osmond adjourned the meeting at 6:19 p.m.