

COMPARING ECONOMIC DEVELOPMENT STRATEGIES ACROSS NEIGHBORING STATES



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EXECUTIVE SUMMARY

Introduction

This paper provides a comparative summary of the economic development initiatives of Wisconsin with its neighboring states of Illinois, Indiana, Iowa, Michigan and Minnesota. For a more complete summary of the states' strategic plans, refer to this publication at website, www.northstareconomics.com.

Economic Development Pursuits

While there are many similarities in state strategies, there are many differences in how each state is approaching their economic development functions. One of the findings was that **all the states are essentially going after the same thing** – High-Tech Jobs. High-tech jobs are the recognized driver of future economic growth. High-tech jobs are generally high-paying jobs. The increase in personal income generated by the high-paying jobs within a state leads to the positive economic growth spiral that generates, all things being equal, increased consumption, lower tax burdens, increased savings, greater investment, and exports of superior goods and services.

All the states also recognize that high-tech, high-income jobs are the vehicle for economic growth, due to: 1) demographic constraints that don't give them much choice as the baby boomer generation retires *en masse* beginning in just 10 years, leaving a dearth of available workers and stagnant endemic markets, and 2) a shifting new economic landscape that potentially renders their current economic structures and development tools obsolete, at least in the long-run.

Interestingly, all the states analyzed have many of the same perceived constraints:

- Demographic impairments – aging baby boomers, relatively little in-migration
- Workforce with antiquated skill set – old economy *vs.* new economy knowledge and skills
- Lack of investment capital – little access to and low visibility by coastal funding sources
- Unattractive state image – viewed as “old shoe”, manufacturing and agriculture areas

Each state varied somewhat in their own view of their attributes and attainment levels of the fundamental aspects of new economy development. None ranked themselves very high in any category. The table below is the author's ranking of the states' perceived achievement levels of basic economic development criteria, (5=Highly successful, 1=little accomplishment).

Perceived New Economy Development Attainments

<u>Constraint</u>	<u>Illinois</u>	<u>Indiana</u>	<u>Iowa</u>	<u>Michigan</u>	<u>Minnesota</u>	<u>Wisconsin</u>
Modern Workforce	3	1	3	3	3	3
Infrastructure	3	3	1	3	3	2
Investment Capital	2	1	1	2	2	1
Entrepreneurial Culture	2	1	1	1	1	1
Effective Tech Transfer	2	3	1	2	2	2
State Image	1	1	1	1	1	1

All states focus on similar basic fundamentals to accomplish their economic development goals:

- Education – Pre-kindergarten through life-long learning
- Cluster Infrastructure – telecommunications, higher education, research centers, investment
- Basic Infrastructure – roads, airports, utilities (energy, water, waste)
- Workforce Development – high-paying jobs; demographics dictate grow-your-own
- Image Improvement – to attract venture capital, highly-skilled labor, high-tech businesses
- Quality of Life – understand cycle to attract high-quality labor and high-tech businesses

Each state lays out similar avenues of pursuit for economic development. The states do vary somewhat on how they will approach each economic development pursuit, a matter discussed in the later sections of this paper. The economic development pursuits common to all the states are listed below. This list encompasses essentially all of the traditional economic development approaches with the addition of the new economy pursuits of attracting and retaining a talented workforce, increasing capital access, growing high-tech industries and creating a better state image.

Economic Development Pursuits

Attract & Retain Existing Businesses
Attract & Retain Talent
Create More High-Income Jobs
Enhance Quality of Life
Expand Tourism
Increase Investment Capital
Promote State Attributes

Attract & Retain High-Tech Industries
Build More Affordable Housing
Enhance State Image
Expand Workforce Training
Improve Infrastructure
More & Better Education
Reclaim Distressed Areas

In juxtaposition to the challenges they face, all the states tout that they are, in fact, attractive places to do business. All claim to have:

- Skilled workforce – above average basic education achievement and high productivity levels
- Beneficial business climate – development subsidies, tax and regulatory incentives
- Research Centers – home of flagship universities
- High Quality of Life – good schools, clean air and water, little congestion, bountiful entertainment and recreation

Demographic and Economic Profiles

The states are similar in geographic location – upper central Midwest. They do vary in demographic and economic consistency. For example, Illinois population is 2.3 times larger than Wisconsin's and its gross state product is 2.7 times the size of Wisconsin's. Below is a table comparing some selected benchmark statistics.

State Economic Profiles

<u>State</u>	<u>Population 2000</u> (millions)	<u>Per Capita Income</u> (2000)	<u>Gross State Product, 1999</u> (billions)	<u>State Budget 2001</u> (billions)	<u>Federal \$ Returned</u> (billions)	<u>R&D \$ 1998</u> (billions)
Wisconsin	5.36	\$28,232	\$166.5	\$23.4	\$24.3	\$2.5
Illinois	12.42	32,259	445.7	50.0	60.0	8.8
Indiana	6.08	27,011	182.2	9.97	28.7	3.1
Iowa	2.93	26,723	85.2	4.9	14.8	1.1
Michigan	9.94	29,612	308.3	36.2	46.8	13.7
Minnesota	4.92	32,101	173.0	27.3	23.0	3.8
U.S.	281.4	\$29,676	\$9,872.9	\$2,136.9	\$1,637.2	\$226.9

Sources: Bureau of the Census, Bureau of Economic Analysis, State Governors' Offices, Consolidated Federal Funds Report, National Science Foundation, Statistical Research Service

The relative sizes of the states' demographics and economics will convey the proper perspective on spending that occurs in each for economic development. For example, spending \$50 million per year on Biotech research in Michigan would be equivalent to Wisconsin spending \$32.2 million on a state budget normalized basis or \$27.0 million on a GSP normalized basis.

Economic Development Plans

The body of this report lays out the economic development plans of the neighboring states. All states except Wisconsin have presented some sort of economic development plan, although Wisconsin's governor has convened an interagency taskforce to analyze Wisconsin's economy and develop an economic development plan by the Spring of 2002.

Economic development plans in other states are presented under different contexts and each has some unique aspect. Illinois, for instance, has a legislatively mandated development strategy and process that carries on over five years, from 2000 to 2005. Indiana and Iowa have presented formal strategic economic development plans with a proposed deadline for achievement, 2005 and 2010, respectively. Michigan has established a private corporation to develop and carry out the state's economic development strategy on an on-going basis. Minnesota has issued a broad vision for their economic development strategy in The Big Plan.

Unique Aspects of State Plans

<u>State</u>	<u>Unique Aspect(s) of State's Economic Development Plan</u>
Illinois	Legislated Five-year Plan with a defined timeline, procedure and process Make all component areas owners of their own economic development plans
Indiana	Specified timeframe established to accomplish desired goals – 2005
Iowa	Specified timeframe established to accomplish desired goals – 2010 Estimated costs of economic development plan are presented
Michigan	Established independent, for-profit corporation to carry out economic development plan
Minnesota	Limelight strategy: Capitalize on current high-level of visibility – Governor Ventura

Wisconsin is also at odds with the other states in some key economic development support issues, issues that may affect the resources available to fund economic development in the state. All states except Wisconsin are running budget surpluses. Minnesota rebated over \$1 billion dollars in taxes last year. Iowa, Michigan and Minnesota have Aaa bond ratings, Moody's Investor Service highest rating for state general obligation bonds. Wisconsin, by contrast, rebated some \$950 million in sales tax rebates in 1999, but is now carrying a \$700 million structural budget deficit and has recently (8/28/01) had its bond rating lowered by Moody's Investors Service to Aa3 (Moody's highest rating is Aaa, then Aa1, Aa2, Aa3, next below the Aa3 is a new class, A1).

Illinois, Michigan and Minnesota have specifically earmarked tobacco money for prime economic development programs of education and high-tech business development. Indiana, Iowa and Minnesota have tobacco money going to health care education and services, also deemed important for their state's workforce development and quality of life.

All states have a greater than U.S. average share of high school graduates in their twenty-five year and older population. Only Illinois and Minnesota have a greater share of baccalaureate or higher degree holders in their populations than the U.S. average.

Relevant Economic Development Support Issues

	<u>Illinois</u>	<u>Indiana</u>	<u>Iowa</u>	<u>Michigan</u>	<u>Minnesota</u>	<u>Wisconsin</u>
Articulated Economic Development Plan	Yes	Yes	Yes	Yes	Less Specific	No
Budget Status	Surplus	Surplus	Surplus	Surplus	Surplus	Deficit
State Bond Rating¹	Aa2	Aa1	Aaa	Aaa	Aaa	Aa3
Tobacco Money Use	Education and High-tech R&D	Health Care	Health Care	Life Sciences Initiative	Education & Health Care	Budget Deficit
HS Grads-Share vs U.S.	Above	Above	Above	Above	Above	Above
BS degree-Share vs U.S.	Above	Below	Equal	Below	Above	Below

¹ Moody's Investor Service

State Plan Summaries

The state plan summaries focus on the main thrusts of the each state's economic development strategy and, where possible, present dollar figures associated with the overall plan. The summaries are listed by each state in alphabetical order. If not specifically mentioned in the summary, each state has professed five major themes: Education, Workforce Development, Business Growth, Infrastructure Improvement and Community Development. More detailed presentation of each state's plan follows in the body of this report below.

Illinois

The State and Regional Development Strategy is Illinois' economic development plan that is dictated by statute. The Department of Commerce and Community Affairs is the lead

organization of the Illinois plan with orders to involve all stakeholders in planning, ownership and implementation of future development programs. The Illinois plan is long on process and encompasses the parameters and procedures for carrying out the five-year initiative. The first edition of the Illinois strategic economic development plan defined the issues and established some benchmarks for measuring progress. The second edition of the plan sets the stage for the development process. The third edition of the plan should begin to develop programs for community economic development.

Illinois recognizes the need for sustained economic development through the support of existing business, but also with the future lying with high-tech and value-added industries. Illinois faces many traditional economic development and redevelopment issues as well as workforce development issues. Illinois is investing heavily in new economy industry research and development, education and training, worker and business retention and attraction, and community redevelopment.

Highlights of the Illinois plan include:

- Focus on New Economy business development
 - Illinois VentureTECH – \$1.9 billion five-year investment in R&D for health sciences, information technology and biotechnology, uses \$80 million of tobacco settlement money
 - I-WIRE – next generation digital infrastructure linking major research centers
- Focus on Infrastructure
 - IllinoisFIRST – \$12 billion over five years to improve basic infrastructure
 - Roads – \$2 billion per year on roads and highways
- Focus on Education
 - \$1 billion increase on education spending over two years
 - Hire 10,000 new teachers
- Focus on Worker Attraction and Retention
 - \$20 million for high-tech marketing
 - \$66 million for Prime Sites to attract businesses
- Focus on Community Betterment, heavy reliance on regional stakeholders
 - \$15 million for local planning
 - \$20 million for local infrastructure
 - \$16 for low-income housing
 - \$30 million over five years to link job sites with worker residence
 - Tax incentives for 93 enterprise zones

Indiana

Indiana recognizes that future economic prosperity will not depend upon more jobs, but rather on good jobs that pay well. The state's income fell behind the U.S. average during the early 1980 recession, never recovered and has, in fact, been losing ground ever since.

Furthermore, Indiana recognizes that the state's economic prosperity does not lie in traditional manufacturing industries. Their plan states that much of the manufactured products can be made

cheaper elsewhere. Indiana also recognizes that future prosperity lies with “technologable” jobs. Their plan goes on to say that Indiana companies must specialize in high value-added products and services, and become models of efficiency and innovation.

Indiana’s Break Away Growth plan (BAG) focuses the state’s resources in five areas: 1) workforce development, 2) fostering growth companies, 3) improving infrastructure and advanced logistics, 4) smarter (more efficient and effective) government, and 5) maximizing livable places (quality and affordability of life).

The Indiana plan sets six goals:

1. Raise per capita income and average annual wages above the U.S. average
2. Attain the best purchasing power (living affordability) of any state in the nation
3. Secure the lowest poverty rate in the Midwest
4. Bring productivity above the U.S. average and rank the best in the Midwest
5. Earn the highest livable places rating in the Midwest
6. Create the highest growth rate in the number of high-skill, high-paying jobs in the Midwest

Indiana seeks to achieve these goals through:

1. Incentives for continued education
2. Incentives for investors to take equity positions in small start-up ventures
3. Shift the state economic development budget more toward knowledge-based, innovations driven companies
4. Broader tax exemptions on R&D, computer and high-tech equipment
5. Fund collaborative R&D ventures
6. Establish a “State Infrastructure Bank” to provide funds to build infrastructure
7. Fund state marketing program
8. Streamline government regulations and services
9. Maintenance of Quality of Life

The Indiana plan offers little in funding levels or degree of spending or incentives.

Iowa

Iowa faces the same demographic, income, investment and economic challenges of the other Midwest states. Iowa did put a 2010 time horizon on accomplishing their economic development plan. They enlisted feedback from across the state to critique and comment on their development plan.

Iowa’s plan set eight very specific goals with concomitant cost estimates. Under the proposed economic develop plan, Iowa will need to spend \$4.72 billion over the next decade to achieve their goals.

Iowa's goals are, by 2010, to:

1. Increase number of working people through in-migration by 310,000
2. Have all Iowans electronically connected to each other and the world
3. Make Iowa known as the life sciences capital of the world
4. Make Iowa a premier working, living and recreational destination
5. Make Iowa's wages and income equal to or higher than other Upper Midwest States
6. Have all Iowa children secure in their education attainment
7. Recognize that clean air, water and soil is integral to the state's infrastructure
8. Achieve national recognition for state and local government effectiveness and efficiency

The estimated costs for each goal are presented in a table in the Iowa section of this report.

Michigan

Michigan has the most aggressive and developed economic development plan of the upper-midwestern states. Michigan is very forthright with the fact that they have every intention of making the state a leading economic entity. Michigan has essentially planned all their economic development strategy toward increasing the state's talent pool. They realize that their economic future depends upon a talented, highly-trained workforce. They figure that if the workforce is state-of-the-art and supported with the proper quality of life incentives, then investment, business, jobs and income will flow freely and abundantly through the state.

Michigan undertook a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis to determine the state's advantages and disadvantages and to guide their strategic plan development. That analysis is available for viewing www.michigan.org. The result of the SWOT analysis is an aggressive economic development plan for the state.

Michigan has taken an innovative approach to economic development and established a private corporation, Michigan Economic Development Corporation, with \$133 million in annual state and private funding to carry out their defined strategy. The corporation is operated as a *for-profit* entity under the assumption that future profits from current investments will fund the corporation in perpetuity. Michigan Economic Development Corporation is coordinating with local communities, businesses and institutions to create an economic powerhouse. Michigan Economic Development Corporation even has an active field staff that pursues opportunities for Michigan businesses and communities, contacting over 5,000 companies each year to proactively assess business needs and issues.

The primary thrusts of Michigan Economic Development Corporation (presented in more detail in the Michigan section below) are:

1. People Attraction and Retention
2. Technology Infrastructure
3. Smart Community Investment
4. State Image

Michigan is focusing its new business development efforts on three emerging business sectors: Advanced Manufacturing, Information Technology, and Life Sciences. Michigan's SWOT analysis determined they have a cluster in Advanced Manufacturing, but deficits in Access to Capital, Entrepreneurial Culture, and Effective Technology Transfer. Their SWOT analysis for Information Technology resulted in much the same results except they added Cutting-Edge Research to the plus column and Infrastructure to the minus column. The Life Sciences analysis put only Cutting-Edge Research in the positive bracket with Entrepreneurial Culture, Effective Technology Transfer, and Infrastructure in the negative bracket.

The Michigan plan will build industry clusters through SmartZones and on dominant industry platforms. SmartZones are areas within the state that show a potential critical mass of classic industry infrastructure of business, workforce, research and governmental activity, such as Advanced Manufacturing around the automotive industry complexes. Where it cannot dominate, Michigan sees the value of cooperating for the greater good of the state and will seek to partner with platform "gorillas" or those companies or entities that are the leaders in the respective industries or fields.

Michigan will also establish Renaissance Zones for economic revitalization. Renaissance Zones are community development programs to reclaim distressed areas in the state for renewed economic development. A number of incentives are targeted to attract new businesses to old industrial centers.

Education and workforce development are also specific initiatives included in the Michigan plan to build their state-of-the-art workforce. Foremost in Michigan's economic development strategy is the ability to supply the most talented workforce in the nation, understanding that New Economy businesses are attracted by an abundant and skilled workforce.

Minnesota

The Big Plan is Minnesota's vision of the state's economic development strategy. The Big Plan is less detailed than those of Illinois or Michigan, but it does lay out the broad policy initiatives of the Ventura Administration. The Big Plan speaks to all of the traditional economic development issues of education, workforce development, business climate and community development, but puts the focus on community and personal self-sufficiency through state support of economic development programs. The Big Plan also addresses the efficiency of government and the business climate to make Minnesota a first-class, global economic competitor.

The Big Plan is less detailed on specific programs although it does assign lead departments to all the initiatives proposed. In few circumstances, is there a timeframe proposed or a performance target set. The Big Plan does say that Minnesota's last \$343 million of tobacco settlement money will go to the Medical Education endowment and the Kids Learn endowment, for graduate medical education and children's intervention and immunization programs, respectively.

STATE ECONOMIC DEVELOPMENT PLANS

This section of the paper describes each state's economic development plan, beginning with Illinois. The state's strategic plans are quite detailed and abridged summaries are presented below. For more complete summaries of the states' strategic plans, refer to this publication at website, www.northstareconomics.com.

Each state analyzed, except Wisconsin, had a published economic development plan. The states take different paths to lay out their plans. Some are very detailed, such as Illinois, and present a comprehensive and coherent process if not a list of action items, including spending levels on broad initiatives. Other plans, such as Indiana and Iowa, list their shortfalls and present goals to be attained. Indiana has identified specific goals and avenues to pursue and presents initiatives, but little detail on funding or implementation. Iowa has a defined timeframe and estimated costs. Michigan's plan is a straightforward aggressive approach using a private corporation to achieve stated initiatives. Minnesota's plan, on the other hand, is simple and visionary albeit short on specifics and implementation actions.

ILLINOIS – *Right Here, Right Now*

Illinois is the only state analyzed that has a statutory requirement to present a strategic development plan. In 1999, the Illinois legislature passed the State and Regional Development Strategy Act. The Act established the Five Year State and Regional Development Strategy (SRDS). SRDS serves as the basis for the state's economic development plan. SRDS is conducted by the Illinois Department of Commerce and Community Affairs (DCCA).

THE FIRST EDITION

The first development plan was issued in 2000. It set the parameters under which future development strategies would be guided. SRDS seeks to develop a partnership between state and local governmental entities as well as the private sector. The strategy seeks to incorporate support and initiatives from all across the state. The planning process seeks "buy in" from all stakeholders in order to establish ownership and responsibility for implementing SRDS. Initially, a direct mail survey went to more than 29,000 business, government and community leaders across the state of Illinois. In addition, 19 regional forums were held with over 500 participants involved.

Component Areas

First of all, SRDS sets specific development issues for different regions of the state or component areas. Component Areas were defined around similar economic profiles based upon geography, economic structure, labor markets and trade flows. Ten component areas were established. Component area constituents were consulted on defining the areas' primary development interests. In order to assure that the future development strategies remained aligned with the needs and desires of the component areas, the component areas were assigned the task of confirming that their interests were represented in the SRDS.

Historical and Projected Economic Activity

Secondly, a benchmarking was undertaken to assess the current economic status of the state and the ten component areas. The assessment served as the basis for the stakeholders' economic development education and as an origin from which to measure progress henceforth.

Demographic and economic projections were also made to serve as guideposts to monitor and guide the plan. If the future projections did not match desired economic development goals, then policies could be altered to shift to the desired pathway.

Community Improvement Characteristics

It was deemed essential for the five-year plan's success that the component areas decide which economic development issues were most important to them. Four Community Improvement Characteristics were identified as having the most common regional support.

Consultation with Key Constituents

Component areas were charged with determining which economic development initiatives they wanted to pursue. For each component area, mission statements were drafted; strengths, weaknesses, opportunities and threats were identified; strategic issues were framed and plans were formulated; future vision targets were established; and implementation charges were assigned. Provisions were made to monitor, evaluate and change, if need be, the process and implementation vehicles.

Programmatic Approaches

Each component area had to decide which economic development initiatives they would pursue and which program approaches they would use. As local communities are increasingly influenced by economic circumstances beyond their control, new economic development programs had to be considered. SRDS presented new paradigms for economic development programs. The new initiative programs fell under three general categories: Economic Foundations, Development Agency Functions and Workforce Preparation.

Role of State and Regional Agencies and Boards

Once the component area chose which development initiatives they wanted to pursue and what approaches they would utilize, the areas had to determine which stakeholders would take what role in the development program implementation. The SRDS defined four positions to delegate implementation tasks: Coordinator, Facilitator, Stimulator, and Entrepreneur/Developer

Legislative, Administrative and Programmatic Actions

Once the component area plans are developed and the implementation issues decided upon, the DCCA is to analyze the component areas' development initiatives and programs and develop the

SRDS. Component area stakeholder contributions are to remain the “fundamental drivers” behind the SRDS.

Furthermore, DCCA was directed to “recommend specific legislative, administrative and programmatic actions at the state and component area level for promoting sustained economic growth”. However, the responsibility for implementing the component area plans are left to the component areas’ designated leadership matrix.

Statewide Performance Review

An ongoing assessment must be made to track the progress of the implemented economic development programs and to determine whether the development plans are achieving the desired goals and objectives. Performance measurements must be defined and monitored for possible policy adjustments and public accountability.

Future Planning Steps

The first SRDS established many of the guideposts and process descriptions of how the SRDS will be carried out in the future. The process can only be carried forward with continued involved discussion of the component area stakeholders. The first SRDS describes the process DCCA is to use to move the plan through subsequent years. The process involves seven steps.

First SRDS Edition Summary

The first SRDS edition was presented to set the parameters within which subsequent progress on Illinois development strategy would be undertaken and measured. The first edition established a map of where the component areas wanted to go, where they are now and how they will get there. The first edition also assigned responsibility to the component areas and presented a process under which area development strategies would be determined and implemented.

THE SECOND EDITION

The second edition of the SRDS was published in February of 2001. The SRDS relies heavily on stakeholder involvement (as dictated by the first edition) and defines the present state of the Illinois economy, establishes the framework for economic development, suggests policy and program actions and describes the relationships and procedures to carry forth with the SRDS.

The second SRDS was divided into five sections:

- The New Economy – this section lays out the state’s current economic status and projections
- Implications for Government – determines governmental agencies’ roles
- Development Strategies in the New Economy – suggests development strategies
- Common Component Area Issues – defined common development interests
- Implementation Steps – develop regional incentives further the process

The New Economy

SRDS goes through a brief history of the changing economic landscape of Illinois from agriculture and mining to manufacturing and now the trends toward a knowledge and information economy. It also discusses the issues of mobile and shifting means of production. SRDS also lays out the global nature of the new economy both from a competitive and market perspective. It also trumpets the virtues of technological and managerial innovation, risk-taking and the speed with which new products come to market. The SRDS offers that Illinois must move into the New Economy while not forsaking the old economy.

Implications for Government

The premise for this section states, “the New Economy requires government to rethink both what it does and how it operates”. New public processes and technologies are advocated to provide a high performance style of service delivery modeled after the private sector. Government organizations must be: Market Responsive, Cost Conscious, Performance Driven, Adaptable, and Partnership Oriented.

SRDS talks about New Foundations for a Competitive Advantage. State government should pair with local governments and, together, partner with the private sector to build the “structural foundations” that will give the state to a competitive advantage and lead to future economic prosperity. Specific foundations discussed were: Workforce Skills, Material Resources, Capital, Business Climate, Re-engineered Government, Physical Infrastructure, and Basic Public Services

Functions of Economic Development

The function of the state is to serve as a facilitator for educating, building consensus, organizing resources and overcoming challenges. The state will help conduct a required comprehensive set of approaches including, new venture formation, attraction and retention of basic employment, trade promotion, small business efficiency, civic organization capacity, localized redevelopment, economic opportunity and sustainable development.

Development Strategies in the New Economy

SRDS focuses on the new economy drivers of quality education, workforce development, technology, infrastructure and quality government versus the old economy development drivers of fixed assets, financing and labor quantity. The new strategies discuss the “vital cycle” in which strong market fundamentals support competitive businesses and quality jobs that dampens taxing burdens and enhances the general quality of life as opposed to the “vicious cycle” of where lack of investment begins the downward business, jobs, income, tax burden spiral. SRDS goes into a fair amount of detail on the strategic action items.

There are four basic foundations or functions for Illinois new economy development strategies spelled out in the SRDS: Market Foundations, Business Development Functions, Public Service Foundations and Community Betterment Functions.

Market Foundations

Market foundations in SRDS focus on three items, Workforce, Material Resources and Capital Base. It then explains the importance, action recommendations and ongoing efforts of each.

Business Development Functions

Business development pertains to improving the success of new and existing businesses, particularly small firms that must cope with global competitive issues. Illinois recognizes that the general public well-being is enhanced by the success of local area businesses. Illinois identified four business development functions: New Venture Formation, Basic Industry Support, Trade Promotion and Business Efficiency, and goes into much detail about each.

Public Sector Foundations

These are local government entities and other public concerns that can help to enhance the quality of life and local business climate, such as public services and infrastructure.

- Business Climate – competitive tax and regulatory climate
- Re-engineered Government – make routine administration and operations more efficient
- Physical Infrastructure – upgrade public utilities and transportation systems
- Municipal Services/Amenities – enhance safety, cultural and recreational amenities

Community Betterment Functions

Improve and enhance the center of community activity through

- Civic Organization Capacity – planning, organizing and funding development
- Area Redevelopment – reuse and rebuilding of physical environment
- Economic Opportunity – poverty levels and income distribution
- Sustainable Development – air and water quality and natural habitat

Common Component Area Issues

One of DCCA's objectives was to "establish a consensus on a long-term economic development strategy cognizant of the competitive position of the state's regions and the needs of commerce and industry". Illinois counties were divided into eleven geographic component areas configured by common economic structures. The component area planning process was defined and information was gathered through surveys and focus groups in each of the component areas. Input was incorporated into DCCA's SRDS process.

Stakeholder Participation

The component areas are responsible for not only representing their economic development interests before the DCCA, but also are charged with implementing the plans in their areas.

Workforce Preparation/Development

The top priority for every component area was workforce development. In particular, K-12 education was rated as the highest priority with post-secondary education and training ranking an important second. The most important K-12 issue was to incorporate the teaching of more applied skills. The K-12 education should be “dynamically linked” to the business community and teachers must be kept current with the skills demand of the New Economy.

Technology skills were also deemed of high importance. Further, the need for life-long learning access and the training of adaptive skills so the workforce can evolve with the economy was presented as mandatory for workforce development. School-to-work, Tech prep, and apprenticeship programs were also desired.

Business Development

Business development was designated as the second most important economic development issue. Improving the economic viability of new and existing businesses was recognized as being one of the critical drivers of the local economy. A successful business cluster underpins the “vital cycle” for jobs, tax base, public services and continuing economic prosperity for the region.

The top three areas of interest for area business development were: 1) entrepreneurial assistance, 2) manufacturing modernization, and 3) basic research and development. The commercialization of new technologies was also ranked highly as was International trade services programs.

Public Foundations

Highways ranked as the highest priority within the third ranked economic development issue of public infrastructure, particularly highways infrastructure in smaller communities. The second item of importance in the group was telecommunications, building the digital backbone. The penetration of broadband telecommunications network was seen as a primary vehicle to attract and retain new economy businesses. Public safety was rated third in the public foundations grouping.

Market Foundations

Little government interference was seen as favorable to a free operating market. Taxes were given as the item of most concern, particularly property taxes. Passenger air service was ranked second in importance. Extension of enterprise zones was of interest to revitalize distressed areas. General review of business regulations was also suggested as was overall support for a healthy business climate.

Community Betterment

Community betterment refers to supplying a level of services over and above the traditional health and safety services to the extent that the community is empowered to continue the “vital

cycle” of community development and quality of life successes. Most of the component areas rated themselves high on the community service issues of health, safety, recreation and affordable housing. They rated themselves low, however, on items such as support for working families, smart growth, block grants, leadership training and cultural amenities.

Smart growth ranked first among the community betterment issues of concern. Health and safety issues came in second with affordable housing and recreational items following. Interestingly, those items which were rated as weaknesses, support for working families, leadership training and cultural amenities, did not even register as items requiring additional public attention.

The primary title given to community betterment was enhancement of quality of life. This encompassed everything from better education, affordable housing, more recreation and cultural activities through the coordinated resources of all levels of government partnering with the private sector and citizen activism to enhance the local community.

Implementation Steps

The SRDS provides a map for Illinois’ economic development plan. Responsibility for implementing the plan, on a state and regional basis, lies with three entities: 1) the component area development organizations, 2) DCCA, and 3) other various state agencies. Regional stakeholders have primary ownership of their respective development plans. DCCA will serve as a purveyor of funds and facilitator to the regional partnerships.

DCCA and the various component area organizations will continue to discuss development strategies and implementation plans as the SRDS moves forward over the course of the next four years. Consensus needs to be realized, strategies need to be identified, assignments must be issued and projects must be implemented.

Once funding has been allocated at the state level and distributed through competitive proposal awards, DCCA will facilitate the component area’s development plans progression.

DCCA has the major role in furthering the component areas’ development plans. DCCA will report on the progress of the component area plans and the SRDS. DCCA will report, as part of the state’s annual performance review, established by SRDS, on the following (as take directly from the 2001 SRDS):

- **New Venture Formation** – Over the course of next year, a new strategic plan for technology will be prepared and a new program of technology enterprise development centers will be put in place statewide.
- **Attract/Retain Basic Employment** – Contingent upon legislative authority and financial and staffing resources, a new, regional retention program will be planned, designed and unveiled.

- **Export Trade Promotion** – By the end of the year, export trade services to Illinois firms will be expanded by leveraging public/private partnerships and making sales and market information available through a dynamic, Web-based delivery system.
- **Small Business Services** – Contingent upon receipt of financial resources, a state-level Internet-based one-stop permitting system for small business will be initiated in cooperation with key state agencies.
- **Civic Organization Capacity** – Over the next two years, additional analysis will be undertaken with the university partners with respect to historic strategies, industry clusters, development benchmarks and global competitive position to develop a “best of class” planning mechanism and planning document for the state.
- **Area Redevelopment** – Over the next two years, a pilot program for re-development costs will be designed and, contingent on fund allocation, a competitive proposal will be issued. Further, state enterprise zone program continuation will be a Department priority.
- **Economic Opportunity** – Over the next two years, a study and plan of key services required by Illinois’ working families will be conducted, and funding sources, such as federal formula allocations and/or discretionary funding, will be identified.
- **Sustainable Development** – Over the next two years, a pilot program for regional, balanced growth capacity building will be designed and contingent on fund allocation, a competitive proposal will be issued.

DCCA has been assigned to perform two roles for the component areas during the FY 2001: 1) continue the commitment to the SRDS planning process and, 2) reallocate or adjust existing program efforts to match the component area needs

Under the SRDS, DCCA will lead in the ongoing review of state and component area strategic development plans. Comment and feedback from state agencies and component area organizations will be incorporated into the review process and development plans will be revised accordingly. State and regional economic development plans will be integrated and conflicts resolved. State agencies will issue periodic reports on the progress, performance and impacts of SRDS to assess the improvement in the state’s development capacity.

During FY 2003, efforts will be directed toward monitoring the progress of the state’s development capacity. Progress reports, performance measurement and impact analysis will be conducted to guide the progress of the five year SRDS. Adjustments will be made accordingly at the state and/or component area level for strategic plans, coordination schematics, resource deployment and/or implementation activities.

INDIANA – Break Away Growth

Indiana's strategic economic development plan was presented in April of 1999 through the Indiana Economic Development Council, Inc., entitled Break Away Growth (BAG). The plan included a benchmark analysis of many of the relevant economic indicators of income, employment, industry structure, and education. The analysis did not cast Indiana in a particularly bright light.

Indiana recognizes that future economic prosperity will not depend upon more jobs, but rather good jobs that pay well. Indiana has fallen behind the U.S. average in per capita income over the last 30 years, with 2000 per capita income at \$27,011, 91% of the U.S. average. Indiana has the highest manufacturing concentration in the U.S. in terms of employment, 23.3%, and share of gross state product, 31.4% . (Wisconsin ranks second in percentage of employment devoted to manufacturing, 22.7%.) The state's income fell behind during the early 1980 recession, never recovered and has, in fact, been losing ground ever since.

Furthermore, Indiana recognizes that the state's economic prosperity does not lie in traditional manufacturing industries and BAG states that much of the manufacturing production work can be done at more competitive prices elsewhere. They recognize also that future prosperity lies with technologable jobs. BAG goes on to say that Indiana companies must specialize in high value-added products and services, and become models of efficiency and innovation.

BAG focuses the state's resources in five areas: 1) workforce development, 2) fostering growth companies, 3) improving infrastructure and advanced logistics, 4) smarter (more efficient and effective) government, and 5) maximizing livable places (quality and affordability of life).

The council defines Break Away Growth as:

- the need to outperform competitor states and countries by
 - being the best location for businesses and families in the Midwest
 - becoming world renowned for free enterprise, smart government, quality education and livability
- the need to raise the bar substantially by
 - improving wages
 - increasing the number of high-skill, high-paying and advancement jobs
 - enhancing the quality of life
- the need to focus on areas that will set Indiana apart from competitors by
 - innovative services and products
 - pursuit of high performance in business, government and education
- the tenacity to stay the course through economic cycles by
 - committing to a long-term strategy that will sustain growth for two decades
 - preparing for short-term setbacks

BAG states six goals to be achieved by the year 2016:

1. Raise per capita income and average annual wages above the U.S. average
2. Attain the best purchasing power of any state in the nation
3. Secure the lowest poverty rate in the Midwest
4. Bring productivity above the U.S. average and rank the best in the Midwest
5. Earn the highest livable places rating in the Midwest
6. Create the highest rate of growth in the number of high-skill, high-paying jobs in the Midwest

Intermediate goals will focus on workforce skills, expanding infrastructure financing, increasing the number of high-growth, high-paying companies and striking a balance between urban and rural growth.

Indiana set six initiatives to launch growth. The initiatives are called Growth Boosters. Each Growth Booster has specific policy initiatives proposed to achieve the Growth Booster goals. The Boosters are:

1. Learning a Living – Being first among the states in the percentage of workers employed in manufacturing, Indiana’s workers enjoyed relatively high-paying jobs that required relatively little formal education. Indiana ranks 31st in high school diploma attainment and 47th in four-year degree graduates. The state has no formal community college system. Indiana now realizes that education and skilled training is the key to income growth in the new economy. BAG designates six policy initiatives under the Learning a Living Growth Booster.

2. Accelerating Development of Growth Companies – Indiana must increase its share of high-growth, high-paying companies if it is to realize its higher wages and incomes strategy. These companies are sought to be the “engines of quality economic growth”. Indiana’s entrepreneurial climate must be expanded across the state. Indiana’s universities graduate more knowledge workers than the state’s industries utilize. Business and education must communicate better to align worker talent with job skill requirements. This Growth Booster specifies five policy initiatives.

3. Improving the Crossroads with Infrastructure and Advanced Logistics – Indiana must take advantage of its central location for the distribution of manufactured goods. To that end, the state’s transportation infrastructure must be in top condition and efficient. Several policy initiatives are included.

4. Leading the Way with Smart Government – state government must be more flexible and efficient. Local governments must be allowed to exercise more authority and flexibility to respond to the federal and global issues they face. This Growth Booster presents eight policy initiatives.

5. Creating Livable and Healthy Places to Live, Work, Play and Raise a Family – Indiana realizes that a high quality of life will attract highly paid workers and sustain the community environment for the future. Several policy initiatives are included.

IOWA – Iowa 2010, The New Face of Iowa

Iowa’s economic development plan is laid out in Iowa 2010, The New Face of Iowa (Iowa 2010), a report from the Governor’s Strategic Planning Council. The council was established by executive order in early 1999 to chart a ten-year course toward a more dynamic, prosperous state. The council consisted of 37 persons from across Iowa. Input from across the state was sought and fifteen town meetings were held that attracted 2,600 people with another 60,000 offering input through telephone calls, letters and a website. Hundreds also took part in work groups and other committees.

Iowa 2010 sets eight goals to turn Iowa into one of the leading states in the nation. The eight goals focus on:

A Diverse Population	Global Electronic Access
Life Sciences	Great Place to Visit and Live
Higher Wages and Income	Lifetime Education
Natural Resource Preservation	Smart Government

Each goal has a list of action items. Each goal has identified leadership roles and measurable indicators to monitor goal progress that can be found in the Iowa 2010 document.

Iowa Goals

Goal 1: Iowa Welcomes a Diverse Population – by 2010, Iowa seeks to increase its number of working people by 310,000 through retention and attraction. Specific action items are suggested.

Goal 2: Electronically Connected to Each Other and the World – by 2005, all Iowans will have access to advanced telecommunications services that are appropriate to their needs at affordable, nationally competitive prices. Specific action items are included.

Goal 3: Life Sciences Capital of the World – by 2010, have Iowa known as the consumer-driven life sciences capital of the world. Specific action items are included.

Goal 4: A Great Place to Visit and to Live – by 2010, make Iowa a premier recreational destination. Two specific action items are included.

Goal 5: Higher Wages and Income – by 2010, make Iowa wages and income equal or higher to those of the Upper Midwest States. Specific action items are included.

Goal 6: Education for a Lifetime – by 2010, have all Iowa children benefit from early education opportunities and allow lifelong learning opportunities. Specific action items are included.

Goal 7: Protecting and Preserving Our Natural Resources – by 2010, have all Iowans recognize that healthy air, water and soil are integral components of Iowa’s infrastructure. Two specific action items are included.

Goal 8: Smart Government Works for Iowans – by 2010, state and local governments will achieve national recognition for government effectiveness and efficiency. Specific action items are included.

Iowa Goal Costs

The Council also estimated costs associated with each of the eight goals. Estimated cost of implementing Iowa 2010 totals some \$4.72 billion dollars over the decade based upon the annual spending figures outlined in the table on the next page. Further cost breakdown is available in the Iowa 2010 document.

Estimated Annual Cost of Achieving Iowa 2010

Goal	Million \$ per year
Goal 1: Population Diversity¹	\$2.8
Goal 2: Electronically Connected to the World	\$37.0
Goal 3: Life Sciences Capital of the World	\$8.2
Goal 4: A Great Place to Visit and to Live²	\$30.9
Goal 5: Higher Wages and Income	\$23.5
Goal 6: Education for a Lifetime	\$358.3
Goal 7: Protecting & Preserving Natural Resources	\$10.9
Goal 8: Smart Government Works for Iowans³	\$0.1
Total Estimated Annual Spending	\$471.7
¹ Assumes five Welcome Centers @ \$200,000 per year	
² Assumes 20% spending per year of \$20M @ 5 flagship park	
³ Does not include \$500,000 for one-time spending review	

MICHIGAN – MEDC

Michigan’s development plan is constructed in a different manner than those of Illinois and Minnesota. After assessing the state’s strengths and weaknesses, the number one economic development priority became one of attracting and retaining talented individuals. All programs are either directly or indirectly related to that end.

Michigan has laid out a broad agenda of four policy initiatives and created a separate entity, the Michigan Economic Development Corporation, to carry out the economic development agenda. The Michigan Economic Development Corporation (MEDC) is a public corporation created through a partnership between the state and local communities across the state. MEDC consolidates all of Michigan’s economic development programs into a business entity with a long-term horizon. MEDC is funded with state and corporate funds totaling \$133 million dollars in 2001, \$98.3 million from the state and \$34.4 from private corporations. Funding sources include the federal government, Indian Casinos, Tobacco Settlement Money, and Equity Investments from funded Start-ups.

MEDC is the conduit for economic development information and services to citizens, business and local communities. It oversees and conducts a wide variety of programs with the common

focus of making a prosperous, new economy state. MEDC acts as a consultant to communities and businesses and has a field staff that visits communities and businesses to collect information and supply economic development services to this clientele

Three of the four agenda items below, excepting public education, essentially fall under the purview of the MEDC,

- improving public education and job training,
- fostering the development of a sophisticated technology and telecommunications infrastructure,
- redeveloping the state's cities for attracting business, and
- providing new services for high-technology businesses.

On the education front, the state funds every public school student at no less than \$6,500 and the funds follow the student. Every teacher has a laptop computer, training, internet access and curriculum support. Thirty thousand students have access to online learning. Hundreds of technology courses are available online to 800,000 students, small business employees and nonprofits. Michigan had an independent audit of the public schools covering over 1,400 fields of information and published the results online.

The MEDC acts as an economic development consultant and offers seven distinct services:

- 1) Business Development – business retention and attraction services such as site location, business finance and tax incentives, worker recruitment and job training.
- 2) Business Services – financial, operational, regulatory consulting services
- 3) www.Michigan.org -- 24/7 access to state services, employment/employee searches, data, regional profiles, export connections, permits and licenses, etc.
- 4) Emerging Business Sector Development – focus on assisting information technology, life sciences, and advanced manufacturing companies through policy advocacy, investment, financing facilities and technology transfer.
- 5) Economic Policy – serves as a think tank for data gathering and analysis, economic development strategies, and policy discussions.
- 6) Marketing – marketing for worker attraction, business attraction and product markets.
- 7) Travel Michigan – attraction of business and recreational travelers to the state.

In order to achieve MEDC's mission of promoting smart economic growth to create good jobs and a high quality of life, MEDC has focused on the Smart Tech Agenda (STA). The STA is the realization, strategic plan and implementation scheme to put Michigan at the forefront of the New Economy. There are five items in the STA:

- 1) Build a Critical Mass of High-technology Companies –
 - a. **Smart Zones** across the state are intended to encourage the growth of high-technology business development by creating clusters of new and emerging companies that are primarily focused on commercializing public and private research & development efforts. These eleven zones receive tax incentives and state funding to “jumpstart”

the development process, and raise the awareness of the state's high-technology advantages.

- b. Life Sciences CorridorSM (LCS) is a twenty-year, \$1 billion dollar state investment stream program to develop a life science cluster in the state. Fifty million dollars a year of tobacco settlement money is specifically directed to the LSC initiative. MEDC is the lead on this as it is on most of Michigan's economic development initiatives. MEDC hired the Battelle group to develop a Michigan life sciences strategy. The twenty-year goal is to make Michigan one of the world's premier life sciences research and commercial centers. The report is published on the MEDC website, www.medic.michigan.org.
 - c. Target Industry Cluster Attraction Campaign is an effort to identify high-technology firms around the country that are most likely to consider investment in Michigan. Targets are businesses that have suppliers, customers, and other characteristics linking them to the state.
- 2) Ensure a 21st Century Infrastructure –
- a. LinkMichigan is a plan to give every citizen access to the education and training resources of the world, every government agency immediate access to necessary information and every citizen and business ready access to government information. Michigan realizes that a sophisticated technology and telecommunications infrastructure is the key to both business and citizenry development – “Improving access to high-speed telecommunication services is the most important state economic infrastructure issue for the new century”. The state wants the private sector to own, operate and manage the infrastructure and will provide incentives to carry out the desired goal. Four specific recommendations are presented.
 - b. Core Communities Initiative will help to redevelop distressed urban communities, including limiting liability for brownfield contamination. Fifty million dollars can be used for land purchases, site preparation, infrastructure building, operating costs, etc. Some money will be used to jumpstart Smart Zones. Michigan has also established 20 Renaissance Zones to encourage redevelopment of distressed areas. These zones are virtually tax-free areas to attract the revitalization of a specific area, including urban, rural and former military sites.
 - c. M-TECsSM, MMTC, MVU the state's continuing workforce training centers will be expanded to the help serve more workers.
- 3) Facilitate Greater Access to Capital through a better network of matching angel investors to entrepreneurs, attracting more venture capital firms to the state, and the establishment of an Emerging Technology Matching Fund to match up to \$150,000 to fund technology transfer from the state's universities research and development opportunities.
- 4) Create Entrepreneurial Environment with Industry and Regional groups' activities combined with the assistance of MEDC to: enhance the networking opportunities for

entrepreneurs and supporting services; sponsor conferences for sharing research and business ideas and global marketing of activities; establish an Entrepreneurial Academy that uses National Governors' Association grants for developing entrepreneurial oriented policies and securing federal funds; create University Tech Transfer Positions that will be funded by MEDC on a 50/50 basis.

- 5) Sustain the Image of the State as a High-Tech Work Location as Michigan ranks poorly in the number of people that migrate into the state. MEDC will undertake four strategies to try to remedy the situation: Out-of-State Worker Recruitment Campaign to improve the perception of Michigan as a high-technology state; College Graduate Retention and Recruitment Campaign to keep and attract college graduates in engineering, computer science and life science from other Midwest states and encourage in-state internships for undergraduates; Repositioning Our National Image generated a study putting Michigan in a "brighter high-tech light" and an ongoing study about technology positions in traditional industries; Graduate Migration Research Study will seek to understand the motivations of migrating technologically students.

MINNESOTA – The Big Plan

Minnesota also has a development plan, although much less structured than the other states' plans and primarily laid out in "The Big Plan" as put forth by Governor Ventura's office. The Big Plan (TBP) is a broad reaching dictation of Minnesota's development policies. TBP does serve, however, as a development policy directive with visions, initiatives, and lead agencies to carry out the initiatives identified.

TBP is presented with four major initiatives: Healthy, Vital Communities; Self-Sufficient People; Service, Not Systems; and Minnesota: World Competitor. Each is broken down further into sub-initiatives. Some of the development areas the initiatives address overlap, such as education, more efficient government, and a modern workforce.

Healthy, Vital Communities

The Healthy, Vital Communities initiative has the greatest number of specific sub-initiatives, which we list below.

The Best K-12 Public Education in the Nation – the plan is to "erase the word voucher from the vocabulary" by improving student achievement in every public school. TBP put responsibility for raising the education bar on parents, teachers, and administrators at all levels. TBP calls for school spending based on results while clearly decentralizing school practices. TBP wants to define the state's role in setting standards and then assign accountability for achieving those standards at every level of school governance, including parents and taxpayers. The plan also seeks to better coordinate interagency resources, including Public Safety, Metropolitan Council, Corrections and Housing Finance, to apply best practices to K-12 education. Children, Families and Learning is the lead department charged with reviewing state and local governance arrangements for education and related child and family services. The team will also recommend reforms to clarify state and local responsibilities, accountability and opportunities

for raising achievement levels. Children, Families and Learning is co-lead with Minnesota Planning on this issue, along with an outside consultant, Augenblick & Myers.

Improving the Competitive Position of Rural Minnesota – agriculture is deemed a critical segment of the state’s economy. The Department of Trade & Economic Development (DTED) has the lead to help rural communities provide employment opportunities for young people and for farm families to support their farm income.

Light Rail Transit – light rail transit would augment the total transportation system to move goods to market and workers to jobs. The transportation department and Metropolitan Council are assigned co-leads.

Growing Smart in Minnesota – TBP would shift from mandates to incentives for communities to halt urban sprawl and traffic congestion. Funding would go first to those communities that embrace smart growth policies and tools. Metropolitan Council, Municipal Board, I-94 and Minnesota Planning are co-leads on this issue.

Partnerships for Affordable Housing – affordable housing is viewed as a local business attraction and retention issue that in turn supports the local tax base and infrastructure for a “vital local economy”. The Housing Finance Agency is the lead agency.

Multimodal Transportation to Get People and Goods Around Statewide – the Department of Transportation and the Metropolitan Council are to lead the initiative for a long-term, comprehensive transportation solution that will foster Minnesota’s economic prosperity and quality of life.

Telecommunications as Economic Development – TBP encourages and promotes electronic commerce and seeks to eliminate all barriers, thereto. Legal, regulatory, infrastructure, and geographic barriers are to be overcome. A visionary communications network across all mediums to support business, government, and education should be installed. Furthermore, every resident, business, government office, and education facility should have access to the network. Goods and services should transact across this network in a competitive marketplace. The network itself should be constructed free of the current non-competitive, regulation based environment. Initiative leaders are the departments of Administration, Commerce, Trade & Economic Development and Minnesota Planning.

Living Human Rights & Respect – TBP wants to ensure that every state citizen has equal opportunities to education, housing, and employment, while giving Minnesota the rewards of every citizen’s contribution to the economy and culture of the state. The Department of Human Rights is the lead on this issue.

Reliable Energy & Consumer Choices – the administration supports the shift from a regulatory environment to one of competition and consumer choice. The state also encourages energy providers to supply a reliable energy product at a reasonable price in an environmentally sound manner while offering alternative fuel-generated power choices. The Department of Commerce

is to lead this initiative with support of the Public Utilities Commission and the Minnesota Pollution Control Agency.

Ensuring an Information Highway that Leaves No Community Excluded – TBP wants the installation of the visionary communications network to all local community institutions including local governments, criminal justice systems, health and education facilities to facilitate the efficiency and effectiveness of information. The objective is to provide greater access, ease and convenience for citizens using government services and for increased commerce. The Department of Administration and the Iron Range Resources & Rehabilitation Board are the leaders of this initiative.

Self-Sufficient People

The premise for this initiative is that with a little help from the state, each individual can prosper in the Minnesota tradition of hard work, discipline and individual contributions to the public good. The state will serve as a support, but “not a hammock”. This initiative contains six sub-initiatives.

Transitioning from Welfare to Self-Sufficiency – through the Minnesota Family Investment Program, the state will assist individuals and families to achieve full employment and self-sufficiency. Job training, transportation, childcare, health care and affordable housing services are available on a limited basis to help families transition to self-sufficiency. It is also the goal that supporting state and local agencies work together with clearly defined and mutually supportive roles and responsibilities. Human Services is to serve as the lead department.

A Health System for the Next 50 Years – TBP seeks to create a health care system that will address the pending needs for the aging baby boomers and all others. The system should invest and reward prevention and healthy life-style choices and shed the “entitlement” mind set. The uninsured should also be incorporated into the system for preventive care to lessen the long-term costs of the whole system. The Health Policy Committee will serve as the lead.

Insisting that Parents PARENT – the administration advocates policies and programs that limit the state’s role in raising children. The state will fund the best school system possible, encourage parent involvement in their communities and cut tax burdens so parents have more time and resources to devote to their children. The state will also provide better access to information and community services. Governor’s and Lt. Governor’s office will take the lead on this initiative.

Independent Living – TBP seeks improved strategies and services to allow seniors and disabled citizens to remain independent and more self-sufficient. Lead to be taken by Human Services.

Assuring Lifelong Learning for Work and Life – TBP will expand and enhance the access and availability of continuing education through the best and most innovative means possible. Expanding upon the post-secondary education system, the state will provide increased access to education and training to all citizens. Improved and modern education infrastructure, such as distance learning tools, will be made more accessible and training programs will be placed where the demand is. The Governor’s Office will take the lead on this initiative.

Tobacco Settlement Endowments: Improving Health Status for All Minnesotans – the final tobacco settlement payment of \$343 million will be split into two endowments. The Medical Education endowment will receive \$165 million to support graduate medical education. The total endowment will generate over \$8 million per year for the Academic Health Center to increase the number of health care professionals and enhance training. The other \$179 million will go to the Kids Learn endowment. The total endowment will generate almost \$9 million dollars per year to implement intervention and immunization programs to improve children’s health status. The Health Department has this initiative’s lead role.

Service, Not Systems

One of TBP’s main initiatives is that of making government more efficient, more effective, more accountable and more transparent. The focus on government under TBP should be customer service. Six sub-initiatives are laid out to address right-sizing government.

Rein in Rulemaking & Excessive Regulation – a periodic review of existing rules and regulations should be undertaken to determine which are obsolete. The process should include input from stakeholders and citizens. The Governor’s Office will take the lead on this initiative.

Single House Legislature – moving to a unicameral legislature would eliminate the bi-partisan bickering and make all lawmakers accountable for their activities, unable to pass the buck to the other party, and wrest the power from the hands of a few party leaders. Lead department is Minnesota Planning.

A Tax System that Makes Sense – the move is to simplify the tax code, make it transparent to the taxpayer and have those that supply government services be the ones that levy the tax for that service. The tax system must be reviewed to assure the code is offering the desired incentives to the taxpayer. The Department of Revenue is the assigned lead.

Active, Engaged Citizens – Goal is to achieve a 70% voter turnout in every election. Governor’s Office has lead responsibility.

State Departments: Best Bang for the Buck – success is to be measured by outcome not process. Duplication of services should be eliminated. Similar functions should be grouped together in common or clustered facilities. Information technology should be implemented wherever and whenever possible. The departments of Administration and Employee Relations are co-leads.

Reforming “Politics as Usual” – reform campaign practices and limit the influence of special interest groups to level the playing field between incumbents and challengers. Governor’s Office has the initiative lead.

Electronic Government Services – an integrated information system for government entities for cross-referencing purchasing, inventory, and sales should be implemented. Furthermore, constituent tax filings, payroll communications, licensing and registrations should be cross-

referenced and supplied through a one-stop mechanism. Department of Administration is lead department.

Minnesota: World Competitor

“In order for Minnesota to be a world competitor, the state must have the best government, the best businesses, the best labor force, the best products and a conduit to global markets.”

Trade: Tapping the World's Interest in Minnesota – the governor's notoriety has placed Minnesota in the spotlight. The state should take advantage of the limelight. The state will create a “World Plan” that provides a county-by-country strategic analysis to assess the best potential markets for Minnesota's goods and services. The Department of Trade & Economic Development (DTED) and the Minnesota Trade Office will share the lead.

Agriculture: Competitive Anywhere in the World – the state's agriculture products must be the best value, either through lower costs or value added to commodity products. Agriculture must be supported by reasonable tax policies, environmental regulations, and land use regulations. Agriculture must also have access to capital, financing, research and technology transfer, and an adequate transportation infrastructure. Expanded global marketing information must also be made available to the state's farmers. Modern farm management practices should also be applied. The Department of Agriculture takes the lead role.

Developing the Workforce for Tomorrow – demographics dictate a labor shortage in the future. The workforce must be well-trained, flexible and healthy. Therefore, continuing education and training programs, and proper health care are mandatory for maintaining a relevant and dependable workforce that can meet the challenges of the global marketplace. Economic Security and DTED are lead departments.

The Best Climate to Grow Business – business development must focus on high growth industries and high quality jobs. Install a healthy business climate to attract and retain Minnesota businesses. Create linkages between community leaders, resources and businesses. The state will support innovative practices and entrepreneurship through capital availability, technology transfer and management expertise. DTED is this initiatives lead department.

Commercialization of New Technologies – the state will encourage the successful transfer of research and technology from the universities and other research centers to the private sector. DTED and the Department of Administration are the lead departments.

Jesse “The Tourism Governor” Ventura: Promoting Minnesota, Promoting the Industry – Minnesota is currently in the limelight. The state must capitalize on the visibility to show why Minnesota is a place worth investing in. Monthly governor's tourism message will serve to pronounce “why the world should come to Minnesota!” Department of Trade & Economic Development will team with Minnesota Office of Tourism to lead this initiative.

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