



December 20, 2007

Community Newsletter

Christmas came early for those of us who live in ten counties of Southeast Indiana. Thanks to Lilly Endowment's dramatic investment of \$38 million to help create a regional system of life-long learning to improve education and economic opportunities, we have reason to celebrate. The Endowment invited Heritage Fund - The Community Foundation of Bartholomew County to submit a proposal to address strengthening economic opportunities in Indiana's Workforce Region 9.

Economic Opportunity 2015 (EcO₁₅) is the result of an extensive series of discussions, meetings and work sessions over almost ten months with leaders in all ten counties - Switzerland, Ripley, Ohio, Jennings, Jefferson, Jackson, Franklin, Dearborn, Decatur and Bartholomew. The model for the project is the Community Education Coalition's successful public/private partnership experience that strives to align education and training programs in Bartholomew County with local economic opportunity.

In his announcement, Lilly Endowment, Inc. president Clay Robbins applauded, "the strength of the community foundation's board and staff leadership and the vision, dedication and collaborative spirit of the community and business leadership in Columbus and Southeastern Indiana, demonstrated in part through the Community Education Coalition."

The goal of **EcO₁₅** is to move each person in the counties up at least one level in his or her training, education and/or job placement.

Three area industry groups which employ nearly 50 percent of the region's total workforce are being targeted: **Advanced Manufacturing, Healthcare Services and Hospitality/Tourism.**

The \$38 million grant is being awarded in two segments: \$12 million to Heritage Fund and \$26 million to the Community Education Coalition (CEC). These two organizations will oversee grant administration and ensure fiscal responsibility. Although the implementation details of the **EcO₁₅** initiative are yet to be worked out, a 40-member advisory council representing community foundations, education, workforce, employers, economic development and government in the ten counties will work to achieve long-term sustainability of the initiatives. This council will work closely with the Region 9 Workforce Board, with several board members serving on both groups.

The community foundation in each county will direct a share of the funding and serve as a catalyst for **EcO₁₅** programs in their respective counties. This work will include providing support for each county's **EcO₁₅** coordinator as well as for projects that advance educational and economic opportunities in the areas of advanced manufacturing (including the development of labs and programs), healthcare and hospitality/tourism.

Advanced Manufacturing

The new Honda plant in Decatur County and Cummins' production of light duty diesel engines in Columbus will generate nearly 4,000 new jobs. However, Cummins and Honda are just two of the 570 manufacturing firms operating in Region 9. When these new jobs are combined with replacements due to retirements and normal attrition, we estimate that approximately 6,500 additional people with advanced manufacturing skills will be needed to fill the available jobs between now and 2012. I encourage you to read the enclosed excerpts from Cummins President and C.O.O. Joe Loughrey's insightful remarks at last week's **Eco₁₅** announcement.

To support the regional advanced manufacturing learning network in area middle schools, high schools and adult education facilities, a 45,000 sq. ft. Advanced Manufacturing Center of Excellence will be constructed in Columbus. In addition to shared instructional labs for Ivy Tech Community College and Purdue College of Technology to deliver programs including mechanical and industrial engineering, computer information systems and MSSC training, the Center will also house the offices of the Region 9 Dream It. Do It. Program. In conjunction with area educational partners, the primary mission of the Advanced Manufacturing Center of Excellence will be to prepare students of all ages for rewarding careers in advanced manufacturing through applied learning techniques.

In order to extend the reach of the programs developed and delivered at the Center, it will also serve as a resource "hub" for high schools and community-based learning centers throughout the region. This broad network will be bolstered by a series of advanced manufacturing labs and programs that will be established or enhanced throughout the region. In this way, students in every county will have access to the programs and course offerings developed at the Columbus facility.

As with the Columbus Learning Center, CEC will be responsible for constructing, operating and managing the new facility.

Healthcare Services

In 2002, CEC, in concert with area hospitals, documented the region's severe shortage of skilled nurses, especially Registered Nurses (RN) and nurses with Bachelors degrees. At that time, only 20 Associate degrees in Nursing (ASN), the requirement for RN certification, were awarded annually by IUPUC. In addition, the Columbus campus of Ivy Tech Community College was offering only the Licensed Practical Nursing (LPN) degree.

A campaign in early 2003 raised over \$1 million in cash and in-kind donations plus nearly \$600,000 in state grants to add faculty and equipment to establish the ASN degree program at Ivy Tech as well as the BSN program at IUPUC. In 2007, the number of ASN graduates increased to 107, and IUPUC graduated its first BSN class of 11. Enrollment continues to increase in both programs.

The once nursing-focused Southeast Indiana Hospital and Education Consortium has broadened its mission to cover the full range of Healthcare Service providers, totaling approximately 14,000 workers or nearly 10 percent of the region's workforce. These professionals include doctors, nurses, dentists, hygienists, therapists, laboratory technologists and technicians, dieticians and nutritionists and medical and health services managers.

Under the **Eco**₁₅ proposal, the top priority for advancing education and certification opportunities for healthcare professionals is the establishment of one permanent **Clinical Simulation Lab (CSL)**, to be located in Columbus, and two mobile labs to extend the benefits of the CSL to other parts of Southeast and South Central Indiana.

Simulators can be programmed to recreate a multitude of authentic medical situations, including emergency and operating room activities. These true-to-life mannequins will be used for student learning as well as for professional development of experienced nurses, doctors and technicians. The simulators will supplement, not supplant clinical experience in hospitals and other health care facilities.

Hospitality/Tourism

Data indicates that 14,000 (another 10 percent) of the region's workers are engaged in the Hospitality/Tourism industry segment. This includes arts, entertainment, recreation, accommodation, food service, visitors' bureaus, chambers of commerce, hotel management and gaming specialists. The **Eco**₁₅ plan envisions engaging hospitality/tourism employers in the development of educational pathways, starting with middle school up through post-secondary education, that prepare individuals for successful careers in the industry.

Exciting Opportunity and Challenge

We hope you are as excited as we are about this opportunity and challenge to undergird a more secure future for our region and its citizens through a focus on life-long learning. Columbus is not an island in Southeast Indiana. We must work together, collaborating and sharing with our neighbors in the region in order to strengthen each of our communities. In part, Lilly Endowment has entrusted these grants to us because of the vision and success of the Community Education Coalition. They have acknowledged the value of lifelong learning to both individuals and communities and invested in our region so that we may create a model for others to follow. It is now up to us to rise to the occasion and make this plan a success.

Merry Christmas and Happy Holidays to You and Your Family,
Al Degner
President
Community Education Coalition

*Excerpts from Lilly Endowment Grant announcement by
Joe Loughrey, President and C.O.O. of Cummins Inc.*

On behalf of employers across southeastern Indiana, I wanted to start by saying how excited I am to be with you today for this historic announcement.

The 10-county region represented by today's announcement has certainly been on a roll the past few years. For example, we have landed a major new employer in Honda and have seen continued growth of the gaming and tourism industries in the southern part of the state.

I am especially proud to say that Cummins has played a role in that growth with our announcement last year to bring a new and exciting light duty diesel product line to our hometown of Columbus.

At the same time, state and local governments have teamed with industry, unions leading educational institutions and community organizations to forge ties aimed at securing our economic future by strengthening the region's educational foundation.

There is much work to be done if we are to prepare current and future students to take advantage of the economic opportunities that lie ahead in advanced manufacturing, healthcare and the hospitality and tourism industries:

- Too many students across the region and state drop out of high school before earning their diploma.
- The rate of four-year college graduates in the 10-county region covered by today's announcement significantly lags behind both the state and national averages.
- And not enough emphasis is being placed on the type of vocational and technical education desperately needed by the region's 570 manufacturers to meet their employment needs. These are challenging, well-paying jobs that can provide fulfilling careers to thousands of residents across the region.

Advanced manufacturing, healthcare and hospitality and tourism currently employ about half of the region's workforce and are poised for even further growth – if we can find enough skilled workers to meet the demand of employers.

Just to give you an example of the stakes involved in getting this right, I'd like to share some sobering statistics – facts that we deal with every day at Cummins:

- The Bureau of Labor Statistics estimates that the U.S. will face a skilled worker shortage of 8 million people by 2010, with that number growing to 14 million in 2020.
- The National Association of Manufacturers recently polled its members and found that 90 percent said they have trouble finding qualified workers. 83 percent said worker shortages were affecting their ability to serve customers.
- And half said they have left jobs unfilled because they could not find qualified people to do the work.

Now consider this: **No state in the country is more reliant on a strong manufacturing base than**

Indiana, and nowhere is that more evident than in this region.

According to the U.S. Bureau of Economic Analysis, manufacturing businesses in Indiana produced \$70 billion dollars worth of goods last year - 28 percent of the state's Gross Domestic Product. That's highest percentage of any state in the U.S.

And the average manufacturing worker in Indiana earned just under \$50,000 dollars last year – well above the state average of \$36,500 dollars.

One of the most exciting aspects of the Lilly Endowment grants is the money being dedicated to develop the Dream It. Do It. advanced manufacturing educational program across the region.

Dream It. Do It. was launched four years ago in Kansas City in cooperation with schools, businesses and community groups in the region. The program has a number of goals aimed at raising technical literacy and increasing the number of young people interested in advanced manufacturing.

Those goals include:

- Raising awareness among middle and high school students that manufacturing is rewarding, exciting and challenging work.
- Working with high schools and community colleges to develop curricula that bridges the gap between what is taught in schools and what students will need to enter an advanced manufacturing setting.
- And letting students know that there is good money to be made – and lifetime careers to be created – in manufacturing.

Establishing a Dream It. Do It. program in Indiana was a critical part of the educational package put together by the state as it worked to convince Cummins to locate its Light Duty Diesel program in Columbus, and more than \$3 million dollars has already been raised.

A new organization called CONEXUS INDIANA, of which I am the Chairman, has signed a license agreement to implement Dream It. Do It. across the state. CONEXUS will build on what is being learned in this region to better position Indiana to become a global leader in advanced manufacturing and logistics.

I am not an expert in the health care or hospitality and tourism fields, but I know that businesses in those industries are feeling similar pressures to manufacturers.

While our products and services may be very different, manufacturers, health-care providers and hospitality-based organizations share one fundamental need:

We all need talented, motivated employees in order to succeed in an increasingly complex and competitive marketplace

The concept behind EcO₁₅ is both daunting and visionary. The combined resources and brainpower from the region create a powerful tool for change, but only if we remain focused on the common goal at hand: To provide broad access to the type of lifelong learning opportunities that will prepare the residents of southeastern Indiana for the job market of tomorrow and thereby help ensure the economic vitality of this region.