



State Economic Development Executives Network (SEDE)

Helping State Economic Development Leaders Thrive

The State Economic Development Executives (SEDE) Network held its Summer Networking Meeting on June 24th, 2024, in Washington, DC. The meeting began at 11:30 am with Sandra Watson (SEDE Chair and President/CEO, Arizona Commerce Authority) introducing herself and providing background on SEDE.

Sandra welcomed new participants and thanked CREC and Pew for their long-term support of the network. Joan Goldstein (SEDE Vice-Chair and Commissioner of the Vermont Department of Economic Development) also shared some brief introductory comments and shared that SEDE has helped her in her capacity as Vermont's economic development commissioner. Both emphasized the importance of the meeting and welcomed leaders to SEDE and SelectUSA.

The following states were represented during all or portions of the meeting:

Sandra Watson (AZ)
Clint O'Neal (AR)
Eve Lieberman (CO)
Susan Bourgeois (LA)
Rachel Shields (LA)
Dan Berger (ME)
Yvonne Hao (MA)

Quentin Messer (MI)
Subash Alias (MO)
Joe Fox (NE)
Hope Knight (NY)
Christopher Chung (NC)
Sophorn Cheang (OR)

Rick Siger (PA)
Ashely Teasdel (SC)
Jason El Koubi (VA)
Joan Goldstein (VT)
Mike Graney (WV)
Sam Ridders (WI)

Hot Topics and Takeaways

The first session provided an opportunity for state leaders to share emerging topics in their state. Issues raised included:

- **Industry and Innovation**
 - EDA Tech Hub Recognition
 - Manufacturing Strengths
 - Semiconductor Industry Growth
 - Clean Energy Opportunities and related mining opportunities
 - Transition to Knowledge-Based Industries
 - Striving for Economic Diversity and Resiliency
 - Recognizing industrial vs. knowledge-based recruitment trends
- **Political and Organizational Challenges**
 - Political Challenges and Organizational Restructuring
 - Strategic Planning and Political Dynamics
 - Fiscal Management and Agency Talent Recruitment/Retention Challenges
 - Incentives and Legislative Support
 - Modernizing metrics vs. job creation strategies
- **Emerging Economic Development Issues**
 - Childcare access and affordability
 - Affordable workforce housing
 - Turnover in leadership and staff expertise among local economic development partners
 - Continuing tax reduction trends



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Extended Hot Topic Discussion

After states listed several hot topics, leaders focused discussion on several key points:

- Rural areas are seeing an opportunity to emerge as tech hubs because of significant investments in advanced manufacturing sectors such as the semiconductor industry. Leaders highlighted their states' resilience and adaptability in nurturing these industries in non-urban locations, despite geographic constraints traditionally associated with rural areas.
- Attendees underscored the agility and innovation driving economic and job growth in other key manufacturing sectors, including automotive and life sciences. Discussions delved into targeted training and workforce readiness programs designed to meet industry needs in ways that would help to scale up semiconductor production.
- Leaders discussed the political and organizational challenges that accompany the economic transformation occurring with the emergence of new industries. They shared strategies for navigating bureaucracy, reshaping economic development priorities across different administrations, and managing budget surpluses with fiscal prudence. They also emphasized the need for legislative support to enhance economic incentives and streamline regulatory processes, which are crucial for sustaining momentum and attracting further investment.
- Collaboration emerged as a cornerstone of effective economic development strategies. Leaders emphasized the importance of public-private partnerships in supporting efforts to attract businesses and promote exports, citing successful models of community investments that strengthen local economic foundations. Aligning educational programs with changing workforce needs was also identified as essential to developing a skilled labor force.
- Leaders shared a consensus on the importance of resilience and adaptability in economic planning, particularly in the face of global uncertainties and technological disruptions. Leaders expressed optimism about leveraging these discussions to forge robust strategies that not only mitigate current challenges but also position their regions as leaders in sustainable economic growth.

The discussions underscored a shared commitment among leaders to harness innovation, strategic collaboration, and proactive policymaking. Attendees noted that they want to foster a supportive environment for businesses, invest in workforce development, and advocate for legislation favorable for economic development.

Partner Perspectives

Presenter: Nathan Ohle, President and CEO of International Economic Development Council (IEDC)

Nathan highlighted that IEDC is the largest nonprofit economic development membership organization. With a recent change in executive leadership, IEDC developed a new strategic plan 18 months ago to answer two questions: 1) Where are we headed? and 2) How do we serve economic developers?

The IEDC plan is available on their website. It focuses on the organization's service to the economic development profession. IEDC also received a multi-year EDA grant to manage the Economic Recovery Corps. The Corps offers 2 1/2-year fellowships for 65 people in 42 states and two territories. The goal of the ERC is to create a pipeline in economic development for future leaders. Nathan offered to provide each state agency



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leader a list of the Corps members in their respective state and suggested that the state agency reach out to the Corps as an asset.

Nathan then posed two questions to the group: How can IEDC better serve the SEDE network? What tools or resources do you need?

In response, the group discussed IEDC's Federal lobbying efforts. Nathan noted that the organization has focused a great deal on EDA reauthorization and maintain strategic engagements with HUD and SBA to enhance community development block grants and small business engagement. Discussions covered federal disaster recovery strategies, emphasizing partnerships with affected communities and FEMA for long-term economic resilience. Concerns were raised about aligning federal economic development programs with evolving state needs, advocating for modernization and dual strategies of congressional and agency-level advocacy. Attendees called for better integration of federal workforce development into economic strategies, addressing fragmented programs. Collaborations with USDA on rural economic initiatives were also discussed, highlighting the importance of inter-agency partnerships to support rural communities.

The group also noted the complexities that states are currently encountering in balancing economic incentives with human service needs like housing and childcare that are increasingly important to companies. These emerging needs are creating conflicts and require more nuanced policy approaches. A discussion also ensued about the need for reevaluating measurement metrics in economic development. State leaders were suggesting that IEDC could help in shifting public demand for traditional job count metrics to recognize broader impact assessments. State leaders expressed interest in exploring new metrics and encouraged efforts to redefine success criteria with the hope of more effectively communicating economic drivers to policymakers, advocating for clearer metrics and standards to inform policy discussions.

Workforce and Talent – Federal Perspectives

**Presenters: Brad Conrad, Education and Workforce Development Manager, Manufacturing USA
Manny Lamarre, Deputy Assistant Secretary, U.S. Department of Labor**

Conrad's presentation focused on Manufacturing USA's place among NIST's Laboratory and Extramural Programs and its connection to workforce development. He elaborated on the purpose and scope of Manufacturing USA Institutes, namely, to accelerate discovery to U.S. production by collaborating with applied industry researchers to bring new technology to market. Conrad also detailed the role that Manufacturing USA plays in supporting manufacturing education around the country through training, projects, and funding.

Lamarre's presentation highlighted the dual nature of talent attraction and educational opportunities in economic development. He emphasized the integration of workforce development arms within the Department of Labor (DOL) and the alignment of state and local workforce boards with the education system to bridge industry needs with talent pipelines.

During the Q&A session:

- There was discussion about the increasing enrollment trend in two-year schools, driven by factors like cost efficiency and shifts in the labor market towards skills-based education.
- Participants noted the adaptation of job descriptions by employers to attract talent amidst a tight labor market, emphasizing lifelong learning and continuous skill development.
- ROI metrics in federal programs, such as job placement rates and wage increases, were discussed as essential indicators of program effectiveness.
- Challenges for foreign companies navigating workforce training programs were acknowledged, with calls for clearer guidance and support from federal agencies.



State Economic Development Executives Network (SEDE)

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- Concerns were raised about the complexity of navigating federal funding opportunities for apprenticeships, highlighting the need for streamlined processes and improved collaboration with local partners.
- Attendees explored potential federal funding mechanisms to support apprenticeships, including cost-sharing models and tax incentives to encourage employer participation and support.

SEDE Planning and Discussion (SEDE Business Meeting)

SEDE members convened to discuss the business of SEDE and its future. The conversation focused on the Network's current accomplishments and resources, major changes occurring in that resourcing, the development of a SEDE charter, the need for additional steering committee volunteers, a winter meeting site, and future discussion topics.

SEDE Management and Funding

Presenter: Ken Poole, CEO Center for Regional Economic Competitiveness

Organized in late 2015, SEDE has enjoyed continuous support from the Pew Charitable Trusts and funding support from EDA during the past 3 years. Ken presented slides highlighting SEDE accomplishments and benefits. In response to requests from SEDE members, he noted, a one-page summary of benefits was included attendee packets. Ken noted that Pew's support for SEDE has declined since peaking at \$150,000 three years ago and falling to a \$100,000 in FY24. Although Pew initially proposed \$50,000 of support in FY25, it has not yet formally committed to that or any level of funding. With resources from EDA and supplemental resources from CREC, we have managed to offset past funding reductions. However, SEDE needs a long-term model for sustainability that includes direct contributions from states.

In a survey in May, CREC asked states whether they would be likely to contribute to support SEDE. More than 20 states responded positively. While the Steering Committee has not yet had an opportunity to review the findings, it is critical that SEDE achieve a new revenue stream to support the in-person activities and other information exchanges. After discussion with the SEDE chair and vice-chair, Ken asked that SEDE members if they would be willing to contribute what they offered in their survey response (often between \$3,000 and \$15,000) for FY25 beginning July 1. A more formal fee structure would be established after additional conversation from the Steering Committee. Fees for FY26 period would likely be established later this fall and would be set in tiers based on state population as a rough proxy for information needs and ability to pay.

One attendee indicated that they felt the payment schedule proposed for FY26 was fair and was worth the benefits of maintaining the Network. Another member asked about the protocol for non-paying attendees of future SEDE meetings. Ken responded that non-member attendees in future meetings (FY26 and after) would be charged a fee to help cover event costs. Generally, members agreed that the plan for FY25 and FY26 member payments made sense and assented by acclamation to the proposal to request contributions from states.

Charter

Members briefly discussed the draft of the SEDE charter, which was last reviewed in 2022. There was general agreement to share the document with the Steering Committee so that they could finalize the document in 2024.

Steering Committee



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With recent executive leadership transitions, the Steering Committee membership – which typically had been 14 members – is currently at nine (9) members. Sandra invited additional participation on the committee, noting the desire to recruit 5 more members. She asked interested attendees to talk to her and/or CREC.

Winter Meeting Site

Members briefly discussed the winter meeting location and decided that Arizona was the best fit for the Winter meeting given the SSTI annual meeting would be occurring December 10 – 14. The SEDE meeting was tentatively scheduled for December 9.

Future Topics

Leaders discussed possible topics for the winter meeting including the following:

- Labor market shifts from 4-year to 2-year degrees and certifications/apprenticeships
- Impact of Artificial Intelligence and Large Language Models (LLMs, ex. Chat-GPT), on economic development as a field and larger employment/labor impacts
- Childcare, housing, and the expanding mission of economic development
- Disaster recovery and resilience as major disasters become more frequent and increasingly severe
- Movement from job-creation as the primary economic development metric- what metrics are valuable in a tight labor market?
- What does a change in Federal administration mean for the future of economic development programs?

The Steering Committee will meet in the coming weeks and determine the final agenda for the SEDE meeting.

The Meeting was adjourned at 4:00 pm.