

The Jim Rex Plan: Jobs Now. Jobs for a Strong Future.

Introduction

Too many South Carolina families are hurting right now. Wall Street may be looking up, but tell that to the nearly 100,000 thousand South Carolina workers who have lost their jobs this year. The number triples when you include those who entered the recession unemployed or have been forced into lower-paying jobs just to try to make ends meet¹.

Meanwhile, our state is adrift. Our political leadership is preoccupied with personal scandal and petty partisanship, neither of which does anything to help get us through this crisis. This is not a time to lose focus. There are a series of actions that our government can take **right now** to protect the jobs that we still have and to put more people back to work immediately to get our state on the road to economic recovery. But in addition to these immediate steps, we also need to view this period as a wake-up call. South Carolina needs to do more to position itself for the jobs of the future in a whole range of exciting and innovative new fields and industries.

For too long, we've allowed short-term thinking and special-interest politics to get in the way of economic progress. If we are going to succeed at creating stable, good wage jobs in our state, we need to focus on the unique assets that make us strong and competitive.

It starts with our hardworking people and the natural resources and quality of life that can attract new employers and capital investment. Governors Campbell and Riley worked hard to attract new businesses to the state, bringing investments, jobs and training programs to develop a skilled labor force. Recently we've been in the news for public embarrassment, not ambassadorship. I will turn that around, restoring pride and dignity to our state, ensuring that business leaders across the country and around the world know that South Carolina is a sound investment with a beautiful environment, welcoming people, great quality of life and an educational system on the move.

So my jobs program has two parts.

- **Jobs Now.** This part is an aggressive action plan to protect our jobs and create new ones.
- **Jobs for a Strong Future.** This is a medium-to-long-term plan to prepare our workforce for jobs in innovative new fields as well as expansion of jobs in current sectors that provide the kind of good-wage jobs we desperately need.

Both **Jobs Now** and **Jobs for a Strong Future** make a powerful connection to something I know well: education. Attracting these jobs to South Carolina will not happen if we are not aggressive today in preparing our workforce, so we must continue to strengthen our advantages in areas of higher education, workforce training/retraining, and research. Our state's strong technical college system and our universities must be active participants in a coordinated effort to identify which industries are suited for the different regions of our state and to provide the educational programs necessary to prepare a highly skilled workforce for those targeted jobs.

¹ Unemployment figures taken from Bureau of Labor Statistics Nov 2008-Nov 2009 and *State of South Carolina Annual Financial Report* through June 30, 2009.

For instance, last year, we initiated a pilot program called GreenSTEM, which is a high school program that gets students ready for jobs in the emerging field of green energy. In addition, we must commercialize ideas emerging from our research universities to further expand job opportunities.

But there are other vital areas beyond education that must be addressed if we are to be successful. We need to improve our state's infrastructure, from our transportation infrastructure to our financial infrastructure, to be sure our state is an attractive place for new businesses. We need fairer taxes for working families and for the small businesses that are the engine of our state's economic growth. We need to manage our state well and make sure that we are effective in putting state dollars to work right here at home and maximizing available federal dollars wherever possible. And we need to look at our incentive structure to provide the right incentives to attract new businesses to our state while ensuring that existing companies stay and expand.

Part 1: Jobs Now.

- 1. Make the GED free to those who enter an approved adult education program in South Carolina.** Education and training are critical to success in today's job market. Every year, countless South Carolinians don't take the GED exam because they cannot afford the \$80.00 fee to take the test, keeping many of them from being able to find work or serve our country in the armed services. It's time for South Carolina to provide state funds to cover the cost of the test for those who cannot afford it and who are in approved SC adult education programs.
- 2. Extend unemployment benefits for those getting retrained in high-demand fields.** Right now people who have lost their jobs often can't get the training they need to secure a new one without losing their unemployment benefits. Yet we have employers in certain industries, like health care, nuclear, welding and automotive engineering, who are actively looking to recruit new talent. Individuals who are going back to school to gain skills in high-demand sectors must not lose unemployment benefits while going through state-approved training programs designed to fill these positions.
- 3. Tuition reimbursement in high-demand fields.** Because training is so important, I would also dedicate a pool of state workforce development funds to reimburse tuition costs for job seekers in high-demand clusters. Typically, tuition reimbursement programs operate after the fact. But workers who have lost their jobs can't afford to pay for retraining and wait to be paid back. Workers in high demand fields who agree to accept open positions prior to receiving benefits would receive partial tuition reimbursement. To keep the system fair, those workers who decline positions or don't pass training programs must repay the state or lose future unemployment benefits.
- 4. Overhaul the Employment Security Commission.** Reform of this key organization is sorely needed. During these challenging times, most South Carolinians are looking for a hand up, not a hand out. That is why it is infuriating that some people are collecting unemployment insurance after being fired for misconduct, voluntarily leaving work or turning down jobs. We need to keep our unemployment compensation system strong to stretch scarce dollars to cover legitimate unemployment and retraining needs – not to pay those who choose not to work. I will require accountability at the Commission and cut through the red tape to better connect job seekers with employers. I will call on the agency to provide more user-friendly, targeted information about which companies are hiring where, identify local training options to help job seekers compete for open jobs, and match workforce skills and needs.
- 5. Call on South Carolina to institute a Workshare option.** Many states are offering employers facing economic hardship an alternative to laying off their workers. Workshare allows employers to reduce the hours of their workforce while their employees retain partial benefits and receive

partial unemployment insurance to compensate for lost wages. Workshare enables businesses to reduce overhead without having to lose their talented employee base. It also saves companies valuable time and money when it is time to rehire. For South Carolina workers, Workshare would mean the difference between a paycheck and a pink slip. And for the state, paying only a fraction of a worker's unemployment benefits is cheaper than paying full unemployment.

- 6. Buy local and put our own purchasing power to work.** South Carolina state agencies purchase more than \$1.3 billion a year in goods and services from out-of-state businesses. The SC Small Business Chamber of Commerce believes that our state's economy would be much stronger today if state government instead pumped some of this \$1.3 billion a year into South Carolina's small businesses and workers. I agree that we need to reform our state government to use more in-state services, goods and labor to support the growth and development of our small businesses. We also need to look for more cost savings in our state purchasing decisions by using bulk purchasing and strategic sourcing. Having run a large, complex state agency, I know how to make this transition.
- 7. Expand "Certified South Carolina."** The Certified South Carolina program lets our citizens know whether the food they're buying was grown or produced in South Carolina. A local purchase not only delivers a quality, healthy product, it helps our farmers stay financially strong. I will direct more of our purchasing power to help our farmers and fishermen succeed and create more jobs by requiring school lunch programs to buy from them whenever South Carolina products are affordable and available. When products are available, new state contractual relationships will give local producers the certainty they need to make investments and meet state purchasing requirements at competitive prices.
- 8. Support for Small Businesses.** To regain the jobs that have been lost we must do more than recruit a Boeing-type industry to our state every decade or so. We must also focus on helping thousands of small business open or expand in our state. The first thing we must do is look at how to reduce taxes and unnecessary red tape for small businesses. Second, we need to find ways for small employers to form purchasing pools so that they can afford health care and other critical business services. Finally, I will develop microfinance credit programs with private sector partners to expand agricultural and small-business access to capital.
- 9. Jobs for South Carolinians, not illegal immigrants.** In this economy, every job matters. It simply isn't right for an illegal immigrant to take the wages of a hard-working, legal South Carolina citizen. We must enforce immigration rules and require companies to obey the law.
- 10. Rural transportation initiative.** In rural parts of our state many citizens can't compete for jobs for the simple reason that they can't get from home to work. We must expand public-private partnerships to be sure that workers from rural communities can get to areas with high concentrations of jobs, such as tourism-related jobs in coastal SC or to major employers like BMW and Bosch.
- 11. Improving efficiency, saving money.** Right now, federal resources are available to encourage homeowners and small businesses to retrofit their homes and businesses to make them energy efficient and save on their energy bills. Energy efficiency improvements could create 22,000 good-wage jobs in the fields of plumbing, roofing, insulation and general construction.² We need to be sure our local workers in these trades have the right training to do these efficiency upgrades and educate our residents and businesspeople about the financial assistance available to pay for efficiency improvements.

² American Council for an Energy Efficient Economy, November 2009.

12. Health care, small business & cigarette tax. South Carolina has the lowest cigarette tax in the nation. That means that nonsmokers pay more for health care and taxes to cover the rising health costs of smokers. Increasing the cigarette tax means that smokers would pay a greater share of the financial burden they create and generate revenue that can be used to reduce health care costs on working families and small businesses. The state cigarette tax should be raised to the national average and indexed to track the average going forward to help pay for South Carolina's health care responsibilities under new federal health care legislation. These funds will provide a boost to our health care sector, which creates good jobs with good benefits. In addition to creating new health care jobs and reducing health costs for families and business, we will also provide health insurance coverage to our kids, which is the right thing to do both morally and as an investment in the workforce of tomorrow.

Part 2: Jobs for a Strong Future.

Statewide Direction and Leadership

My plan to create jobs for South Carolina in the medium-to-long term involves strong and aggressive statewide economic development leadership – with me, as Governor, personally leading the effort. I will establish a new Office of Job Creation that will operate as an economic development SWAT team under my direction at the Department of Commerce. The goals of this Office of Job Creation are two-fold: the team will be charged with researching and identifying national and international recruitment targets for business development opportunities across the country and abroad that align with South Carolina's regional strengths. Once opportunities have been identified, the Office of Job Creation will dispatch an appropriate team of SC Ambassadors to actively recruit them to locate in South Carolina. These Ambassadors will include a bi-partisan mix of elected officials, economic development professionals, business leaders, and representatives from the education community, from K-12 to higher-ed to technical colleges. The leadership of the Department of Commerce and the Office of Job Creation will be made up of economic development professionals seasoned in business recruitment and development.

In addition, while my focus as Governor is on the citizens of the State of South Carolina, I'm also keenly aware that the issues we must tackle to be competitive in today's economy don't stop at our state line. We will work with leaders in other southern states to address crucial issues like water availability, and road, rail and port infrastructure development and security. And I will keep a close eye on what my colleagues are doing in other states to attract top research and business dollars so that South Carolina stays ahead of our competition.

The Three I's.

The case that we will make is that South Carolina has an ambitious plan built around the Three I's – human infrastructure, physical infrastructure and natural/cultural infrastructure.

- **Human infrastructure** is education beginning with early childhood development and encompassing a public education system based on innovation, a strong university system, and a cutting-edge technical college system – all of which must work together to prepare our workforce for quality jobs.
- **Physical infrastructure** includes South Carolina's roads, rails, bridges, transit, electrical grid, water treatment plants, and broadband networks, all of which make our modern lives possible. Strong state infrastructure is critical to our economic growth, global competitiveness, and quality of life. We need to end the bureaucracy that leads to shortsighted investments. We will work with DOT, municipalities, developers and business leaders to develop commerce corridors, using transportation and infrastructure funds to create jobs, promote sound development, create

linkages between schools, work, and homes, and protect our sensitive natural areas. Infrastructure investments pay a double dividend. They improve our state's standing as an attractive business environment while also creating thousands of jobs that can't be exported.

- And finally, our **natural and cultural infrastructure** is what gives us the quality of life that we enjoy and makes South Carolina one of the best places to raise a family. From our beaches to our mountains, our rivers to our lakes, our forests to our parklands, we are blessed with environmental riches that greatly add to our quality of life. Similarly, South Carolina enjoys a thriving arts and cultural scene, both of which make selling South Carolina to potential businesses easier.

Regional Economic Development Task Forces

Because each region has unique strengths and resources, we will create distinct regional economic development task forces – in places like the Piedmont, Midlands, Pee Dee, and Savannah River portions of our state – charged with drawing up an economic development roadmap for each region. Each task force will be headed by an economic development professional reporting to the statewide Office of Job Creation. These task forces will work with local political and civic leaders, representatives from the business community, and senior-level representatives of that region's universities and technical colleges to identify top challenges and opportunities for job creation unique to their area and to determine what needs to be done to train or retrain that region's workforce so that they are prepared for those targeted jobs. These task forces will coordinate closely with regional organizations like the SC Centers for Economic Excellence, the Education and Economic Development Act Coordinating Councils, and New Carolina, all of which are already leading the development of new industry clusters, but will add the political will and resources that can come from an active and engaged Governor's Office.

New and Emerging Sectors

While each region will pursue industries that match its strengths and resources, we also need a concerted statewide push to support and expand the following industries of the future:

- 1. Clean energy technology & jobs.** Jobs in the "clean energy" sector are a growth opportunity for our state. We can't afford to miss out. From electricians and plumbers retrofitting homes, to architects designing the next generation of buildings, to farmers growing biofuels and wind power, we need to expand opportunities for training and job creation in green jobs in South Carolina. These are skilled, good-paying jobs that can't be outsourced or exported. I will bring new clean energy jobs to South Carolina by expanding and supporting clean energy research and development at our universities, by setting a green energy job growth goal, and establishing energy and water savings goals and renewable energy targets for all state facilities and agencies. And I will make our own state buildings as energy efficient as possible, saving your money as we go forward.
- 2. Renewable energy & nuclear power.** Currently, South Carolina produces no fossil fuels and thus imports the vast majority of its primary energy resources from other states and nations. We must expand the technologies we utilize today, like efficiency improvements, natural gas and nuclear energy; along with the game-changing technologies of tomorrow, like wind, solar, and next generation nuclear and biofuels. There is tremendous potential for biofuel development in our state. Switch grass grows in abundance along our interstates, and waste from the paper and pulp industry and agriculture could be turned into energy. But so far, most of the wood to ethanol activity is happening in neighboring states. Southeast Range Fuels Inc. is building a wood-to-ethanol plant in Soperton, Ga. The University of Tennessee is involved in a project to build a switch grass-to-ethanol plant. We need to bring those plants, or plants like them, here to South Carolina.

We're doing better in biodiesel. There are biodiesel plants in Taylors, North Charleston, and Estill. A study by the University of Florida found that there have been \$480 million in revenues and 7,369 jobs resulting from biopower generation in South Carolina.³ We can do more by tapping our significant bioenergy research assets at Arborgen, Savannah River National Laboratory, South Carolina Bioenergy Research Collaborative, South Carolina Biomass Council, Sustainable Institute for Energy Studies, Clemson University and the University of South Carolina. I will work hard to improve the supply, demand, and regulatory environment for the biopower and biofuels industries in our state and reduce risks for investors.

There is tremendous potential for us in the nuclear field. Our state produces about half its electricity from nuclear energy sources and is the country's third largest producer of nuclear power.⁴ There is considerable demand for skilled nuclear engineers all across our country and we have a huge knowledge base to build on right here in South Carolina. For years, schools around the country saw declining enrollment. Current nuclear scientists are facing retirement age. With nuclear energy playing a key role in addressing climate change, demand for nuclear expertise is booming. Given the large national shortage of trained nuclear engineers and jobs available, the federal government is undertaking extensive programs to support graduate students in the nuclear field. We should be leading the nation in developing nuclear capacity and training the industry leaders of tomorrow. I will bring more research dollars to South Carolina and aggressively recruit energy companies to the region.

- 3. Quality health care & jobs.** With an aging population and an existing shortage of nurse educators, job development in the nursing field is a top priority. The demand for high quality medical care in South Carolina is expected to grow, along with demand for skilled doctors, nurses and technicians. Again, we must partner with our technical colleges to achieve meaningful results. From 2002-2006 the system generated 33% and 44% increases in Associate Degree Nursing and Practical Nursing graduation rates. We must continue to do more to dramatically increase our production of skilled healthcare professionals.

In 2006, the average annual income for allied healthcare jobs in South Carolina was \$40,000+, compared to the state's per capita income of \$29,688.⁵ The Department of Health and Human Services estimates that by 2020, South Carolina will be short 12,100 nursing positions. Big teaching hospitals and rural areas face the largest shortages of nurses, with some areas offering reward programs for professional referrals. We must get ahead of the curve, expanding training opportunities for nurses and technicians. We need to collaborate with hospitals, high schools, technical schools and universities to attract talented educators and identify financial support for the most talented and deserving students. The result: better care, reduced costs and skilled, good-paying jobs.

Education and Economic Development Act

Ultimately, our economic success depends on our hardworking South Carolinian people. We must ensure that we have the strongest competitive workforce possible. In 2005, South Carolina passed the Education and Economic Development Act, creating a national model that gives us a competitive advantage over other states. The Act improves accelerated learning within and outside the classroom, establishes regional education centers offering professional development and career planning services, and provides the guidance and mentoring that students need to develop a solid mix of technical and academic skills to compete in the global economy. It's time to fully fund the Act in order to ensure full and effective implementation in every community across South Carolina.

³ "[Bioenergy in South Carolina](#)." Southeast Agriculture and Forestry Energy Resources Alliance, 2009.

⁴ [U.S. Energy Administration](#), South Carolina Nuclear Industry, December 2009.

⁵ US BLS & BEA 2006.

Conclusion

Luck has been described as what happens when opportunity meets preparation. The most prosperous states of the 21st century will be those who best prepare for the opportunities that lie ahead. The second decade of this century and the new millennium is our opportunity to prepare South Carolina to become a national and global leader in sustainability and the knowledge economy. It's time to turn South Carolina around.

For more information and additional resources, visit www.jimrex.com.



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