

BRAC'S QUARTERLY REPORT ON THE CREATIVE CAPITAL AGENDA

CATALYST

SECOND QUARTER 2011

BRAC TAKES ACTION!

IMPROVING OUR

**PUBLIC
TRANSIT**

★ ★ *Through a* ★ ★

BLUE RIBBON COMMISSION

Off to Work We Go

An analysis of the available workforce in the Capital Region

Business Should Step Up on Schooling

A call-to-action for area businesses

And More...

2011 Legislative Session, Q2 Progress, Project Wins

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cat·a·lyst (kat'l ist) n. — (1) Something that initiates or causes an important event to happen. (2) A person or thing that precipitates an event or change. (3) See also energy, momentum, trailblazer, Baton Rouge Area Chamber.

Read the stories online or send them to a friend through our QR code.





For the Baton Rouge Area Chamber (BRAC), this spring was a lot like exam week during college. Our team has been jamming on multiple subjects, and they all seemed to reach conclusions at the same time. The volume of activity made for an exciting three months, and produced important progress on our annual and five-year goals.

In this issue, you'll get an overview of BRAC's second quarter results. Deal activity has remained high. At the halfway mark through 2011, BRAC is more than 70 percent of the way toward our job creation goal for 2011. This *Catalyst* describes these job announcements, as well as a new digital media center at LSU for Electronic Arts, leadership on a transit plan, progress for our new Regional Innovation Organization, and an active legislative session.

Let me touch briefly on the significance of two of these. The cover story reviews the recommendations of the East Baton Rouge (EBR) Blue Ribbon Commission on mass transit. In BRAC's analysis, transportation remains a top concern to regional business owners. Many regions with which we compete have alternatives for getting to and from work. By comparison, the bus system in our urban center is poorly funded and unreliable. The commission made important recommendations about how we can get to a modern transit system, which could come before EBR voters in 2012. We view this transit solution as a matter of regional importance.

Second, BRAC's legislative efforts led to an important win for our region's entrepreneurship and innovation strategy. The Angel Investor Tax Credit was allowed to sunset in 2009. In this year's contentious legislative session, BRAC led the way, along with Representative Michael Jackson, to see this important incentive reinstated. As Terry Jones with the Regional Innovation Organization (RIO) says, "capital is the oxygen for startups." The angel incentive was, and now will be again, one of the most important tools for helping our early stage companies to gain the breath of life.

As for exam week, I think we aced the tests.

Adam Knapp,
President and CEO, Baton Rouge Area Chamber



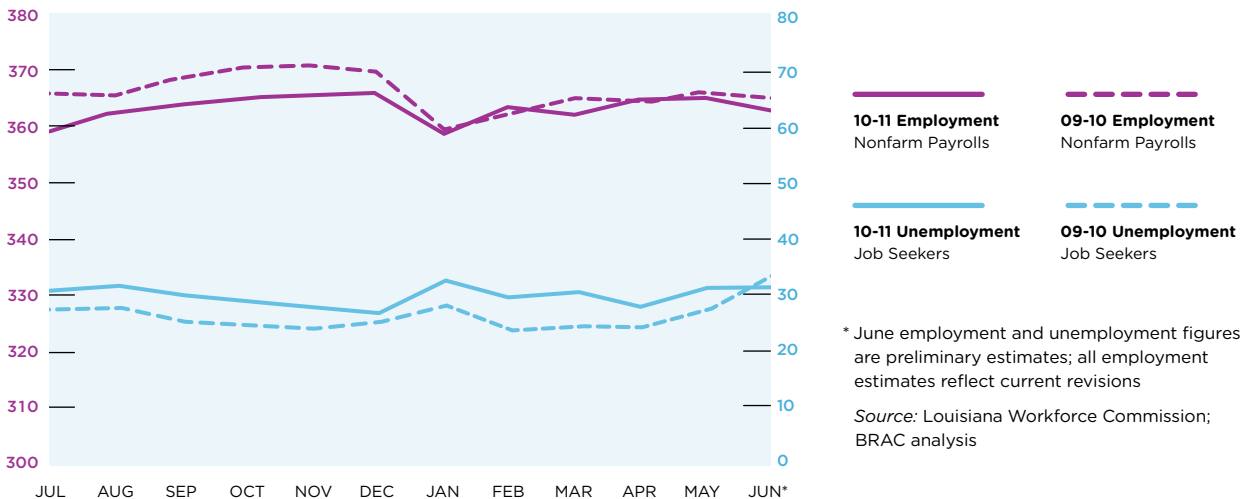
Baton Rouge Area Chamber®

Update & Outlook

On the Baton Rouge Area Economy

While the nation and the Capital Region continue to work through the effects of the recession, there have been some positive trends for our area. The unemployment rate, 8.4 percent, remains lower than the national average of 9.2 percent. Initial unemployment claims and the number of weeks claimed is down from the second quarter of 2010. Sales tax collections across the region are up from last year, showing an increase in spending. Additionally, while total home sales are down, home prices saw a minor increase from last year.

Baton Rouge Area Employment and Unemployment (Thousands)*



* June employment and unemployment figures are preliminary estimates; all employment estimates reflect current revisions

Source: Louisiana Workforce Commission; BRAC analysis

Economic Vital Signs

+ Strong

= Stable or Mixed

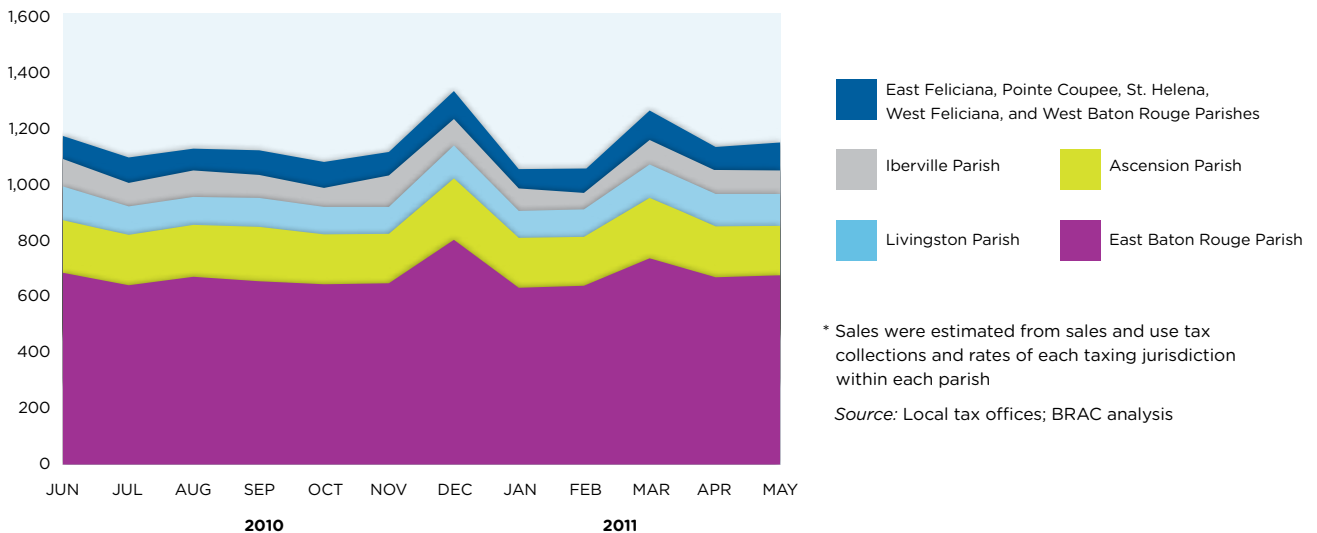
- Decline

Indicator	Outlook	Latest Statistics		Trend
Jobs	-	Nonfarm payrolls, Jun 11 (p)*	363,200	<ul style="list-style-type: none"> Jobs down 1,900 over June 10 Unemployment in June at 8.4%; below U.S. average of 9.2%
		Unemployed, Jun 11 (p)*	31,725	
Unemployment Insurance Claims	+	Initial claims per week*	701	<ul style="list-style-type: none"> Initial claims down 12% from Q2 10 Weeks claimed down 20% from Q2 10
		Weeks claimed per week*	7,918	
Residential Building Permits	=	Single-family, Q2 11	706	<ul style="list-style-type: none"> Total permits have increased by 31% compared to Q2 10 Single-family permits have decreased 4% compared to Q2 10
		Multi-family, Q2 11	369	
Home Sales	-	Average home price**	\$196,522	<ul style="list-style-type: none"> Sales prices have increased 1% from Q2 10 Units sold have decreased 18% from Q2 10
		Units sold, Q2 11	588	
Regional Spending	+	Sales & use taxes, May 11	\$55.9 MM	<ul style="list-style-type: none"> Sales tax collections as a region have increased 4.5% over May 10
		Total sales, May 11	\$1.13 B	
Local HQ Stock Performance	-	Price change over Q2 11:		<ul style="list-style-type: none"> Stock prices have decreased somewhat, with the exception of Albemarle Corp. and Crown Crafts Inc.
		ALB: 14.6%	SHAW: (14.7)%	
		AMED: (23.9)%	HEES: (28.4)%	
		LAMR: (25.9)%	CRWS: 0.2%	
Energy Costs	=	WTI crude oil spot**	\$102.34/barrel	<ul style="list-style-type: none"> Crude oil spots up \$7.86/barrel from Q1; up \$24.36 from Q2 10 levels Gas price up \$0.38/MMBtu from Q1, price is up \$0.01 from Q2 10 levels
		Henry Hub natural gas**	\$4.36/MMBtu	

Source(s): Louisiana Workforce Commission; U.S. Census Bureau (New Residential Construction); Greater Baton Rouge Association of REALTORS®; local sales tax offices; Yahoo! Finance; LSU Center for Energy Studies; BRAC analysis

*Preliminary
**Q2 11 average

Baton Rouge Area Regional Spending (\$ Millions)*



M E A S U R I N G S U C C E S S

The *Creative Capital Agenda* is comprised of **six strategies** that work together to drive economic development in the Baton Rouge area. Each issue of *Catalyst* features an update on our progress on each of these six strategies as well as a preview of upcoming goals and activities.

1

Strategy 1: Job Creation

Goal: Retain and attract high-growth companies to positively influence quality of life

There were several large project wins in the second quarter. It is estimated that 653 jobs have been created in the Capital Region through the efforts of BRAC in 2011. Additionally, thirty-two on-site visits were conducted with CEOs, plant managers, and other management personnel. From these visits, three potential expansion projects have been uncovered and are actively being tracked.

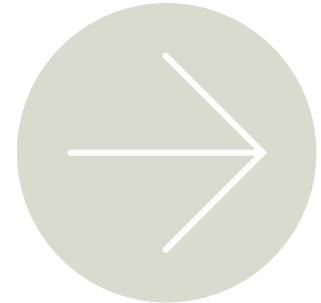
2

Strategy 2: International Development

Goal: Bring high-wage jobs associated with international business to the area to build a global reputation

A consulting firm was targeted to help identify international target markets and target industry sectors in those markets. A scope of services was being negotiated with the firm in order to proceed.

OUR ESSS



3

Strategy 3: Entrepreneurship and Innovation

Goal: Support the development of new entrepreneurial firms and regional capacity for innovation

The Regional Innovation Organization (RIO) was extremely active in the second quarter establishing the foundation for the organization. Some of their activities included: StartUpBus, StartUp Weekend, helping pass the Angel Investor Tax Credit bill, the creation of Gumbo YaYa – an entrepreneurial community-run website, advising twelve high-growth startup companies, and planning for Baton Rouge Entrepreneurship Week (BREW) to be held November 11-18.

Summary of Business Development Prospect Activity

	Project Count		Job Count (Estimates)	
	Current Count	Change from Prior Quarter	Current Count	Change from Prior Quarter
2011 Project Wins (YTD)	6	+2	573	493
Prospects: Class A	6	-2	346	-262
Prospects: Class B	30	+10	1,649	-62
Prospects: Class C	38	+7	6,193	2,580
Prospects: Total	74	15	8,188	2,256

Prospects: Class A

Project is at a 70 percent probability or greater. Leases or contracts negotiated, incentive agreements completed, company is in control of a site and working towards making an announcement. At this point, the company has spent significant resources in controlling a site and is preparing to develop within the region.

Prospects: Class B

Project is at a 30-60 percent probability. The prospect has visited the region, put the area on a short-list of sites, and begun the process of achieving site control. Other agreements such as permits and incentives may be in current negotiation.

Prospects: Class C

10-20 percent probability. Prospect or consultant has contacted BRAC to seek additional information, BRAC has qualified the lead, an RFP may have been submitted, and the region is on a long-list of potential locations being considered.

project wins

Ormet

243 Jobs, \$20MM Capital Investment

In May, Ormet announced that it would reopen their alumina facility in Ascension Parish. The facility closed in December 2006 due to the drop in price of aluminum on the market and the high price of natural gas. Alumina is the raw product of aluminum. Due to the efforts of BRAC, the Ascension Economic Development Council, Ascension Parish, and LED, Ormet will refurbish, repair, and improve the buildings and process equipment to accommodate a start up of the 550,000 metric ton alumina refinery.

“I have been in the metals business over thirty years. I’ve worked with many states and countries working to keep facilities operating and siting new facilities. I was amazed by Louisiana’s welcome and its ability to deliver meaningful help, from an advanced job training program to tax credits,” commented Mike Tanchuk, CEO of Ormet.



BitRaider

22 Jobs, \$500,000 Capital Investment

On May 25, BitRaider, a digital media company, announced it would relocate their corporate headquarters to Baton Rouge. The company provides Netflix-type streaming for video games and will establish themselves in the Louisiana Technology Park.



“It was a combination of the tax incentives and strong economic development programs, as well as the people and community we discovered here, that persuaded us to relocate our fast-growth startup to Baton Rouge,” said Royal O’Brien, CEO of BitRaider. “We appreciate the effort and assistance BRAC provided throughout the process.”

Honeywell

11 Jobs, \$33MM Capital Investment

The Baton Rouge Honeywell plant will expand its operations to include a new production line that will produce an innovative, environmentally friendly product for use in energy-efficient insulation and in aerosol and refrigerant applications. The plant was at risk of closing without this new product line, therefore two hundred jobs have been retained. Construction of the expansion is underway and will be completed in 2013.

“Honeywell is delighted that we’ll remain an important part of the Baton Rouge community,” said Curtis Brescher, plant manager of the Honeywell Fluorine products facility in Baton Rouge. “The pro-business policies here in Louisiana, and the strong partnerships we have with groups like BRAC, LED, and Governor Jindal’s office, have allowed us to invest in our Baton Rouge facility.”



KPAQ

40 Jobs, \$7MM Capital Investment

KPAQ Industries, LLC recently announced that it will expand its current facility to include a second production line for wax paper used by the food industry. KPAQ currently manufactures cardboard on the first production line. This expansion will add approximately forty jobs to the facility, taking the total employment to 250 people.

“KPAQ is very impressed with the support we have received from local and state officials in starting our new business. BRAC, LED, and West Feliciana Parish were all helpful,” said Allen Byrd, CEO of KPAQ Industries LLC.

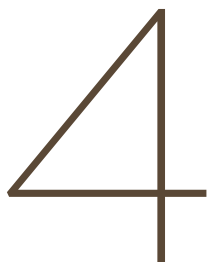


Impala

100 Jobs, \$100MM Capital Investment

Impala is a global logistics and warehousing business focused on non-ferrous concentrates and refined metals, iron ore, and coal. On June 3, 2011, Impala announced its intention to reopen the former Burnside terminal in Ascension Parish. When fully operational, this facility will function as one of the country's largest bulk terminals creating opportunities to establish flows of raw materials, both in and out of the country. The redeveloped terminal will allow for rail-to-ship and barge-to-ship transfer of bulk cargos.

"This is a long-term project that represents an enduring commitment to the region," said Martijn Snijder, CEO of Impala, the logistics division of Trafigura. "We firmly believe in local not central control, encouraging and empowering our people to take the initiative."



Strategy 4: Global Branding

Goal: Increase awareness of the Baton Rouge area as a destination location for high-growth companies and talented people

BRAC continued to make presentations to local businesses and organizations to promote the brand, Creative Capital of the South®. Additionally, preparations were underway for a three-month media campaign including print ads, online ads, radio commercials, billboards, and television commercials, which will launch in the third quarter.

BRAC's Economic Development Partners

Ascension Economic Development Corporation

Office of the Mayor-President, City of Baton Rouge/Parish of East Baton Rouge

East Feliciana Economic Development District

Iberville Chamber of Commerce

Livingston Economic Development Council

Greater Pointe Coupee Chamber of Commerce

St. Helena Parish Economic Development Committee

West Baton Rouge Chamber of Commerce

West Feliciana Community Development Foundation



Electronic Arts

200 Jobs, \$30MM Capital Investment

Electronic Arts (EA) has announced it will add two hundred jobs in Baton Rouge with the creation of the Louisiana Digital Media Center on LSU's Main Campus. This expansion will give EA a total of six hundred employees in Baton Rouge and be a catalyst for cooperative learning between the LSU Center for Computational Technology and the digital media sector in the Capital Region.

"This is a remarkable event for LSU, Louisiana and EA. EA is excited to be part of the Baton Rouge community and would like to thank the BRAC and our numerous local partners for their tremendous efforts and commitment to making the Digital Media Facility at LSU a great new location for EA," said Mike Robinson, Director of Worldwide Quality Assurance for Electronic Arts Inc. "This groundbreaking is another example of how Louisiana continues its march towards establishing itself as an emerging tech hub in this exciting and growing industry."



5

Strategy 5: Talent Development

Goal: Attract, develop, and retain human capital to meet the needs of business

A search was opened for the inaugural director of talent development. Interviews were held with candidates who exhibit the qualities necessary to launch and run this program. At the same time, the database needed to run this program is being built in preparation for a launch in the third quarter of this year.

6

Strategy 6: Regional Competitiveness

Goal: Target key public policy issues that impact the Baton Rouge area's ability to remain competitive in the global marketplace

The Blue Ribbon Commission and the 2011 legislative session both concluded in the second quarter. Learn more about these two efforts in the stories on pages 12 & 10.

A special committee of the East Baton Rouge Parish School Board began the process of rewriting the current strategic plan on April 4. BRAC has been a strong supporter of this revision. The process allows both internal and external stakeholders the opportunity to help direct the district's educational philosophy, set targets for student accomplishment, and define the school system's overall operational focus for the next three to five years. ✨

2★0★1★1

LEGISLATIVE SESSION



A Review of the Effects of Economic Development Efforts in the Capital Region

In June the 2011 Legislative Session came to a close, the Baton Rouge Area Chamber (BRAC) released an analysis of the results and its effects on economic development in the nine-parish Capital Region. The top priorities advocated for by BRAC's legislative agenda were higher education reform, business incentive renewals and enhancements, business partnerships with the state's public education system, and incentives for enhancing passenger air service.

“While there were a few bright spots in the 2011 legislative session such as the restatement of the angel investor program and the enhancement of the digital media tax credit, the session proved to be extremely underwhelming,” stated Adam Knapp, BRAC’s President and CEO.

Despite several setbacks, the session produced some positive outcomes that will be advantageous to the Baton Rouge area. These include:

Higher education reform:

BRAC views higher education as an area that is fundamental for the regions’ long-term growth. Knapp comments, “In regards to higher education, it was disappointing to see a lack of support from our regional delegation and the legislature for positive financial reforms that would have better funded our state research universities, like LSU. Although there were no massive projected cuts to university funding, they missed the opportunity of a budget crisis to make the hard decisions on more long-term financing solutions.” The legislature passed LA GRAD Act 2.0, which strengthened the LA GRAD Act that was put into place in 2010. This legislation grants autonomies in purchasing, personnel, facilities, and investment to postsecondary education management boards and offers campuses more management flexibility. Additionally, a uniform system of tuition and fee charges for the Louisiana Community and Technical College System (LCTCS) was created through House Bill 526. This allows LCTCS to require a uniform schedule of tuition and fee charges on a per-credit-hour basis for all two-year institutions in the state.

Innovation agenda:

The reinstatement of the Angel Investor Tax Credit Program was a bright spot in BRAC’s 2011 legislative agenda. The program, which reinstated the program in place from 2005 to 2009, offers a 35 percent transferable tax credit to angel investors. This incentive encourages high-net-worth individuals to make “angel” investments in startup companies that typically have trouble accessing capital. This was a BRAC-supported initiative, in conjunction with Greater New Orleans, Inc. (GNO, Inc.).

“**Despite several setbacks, the session produced some positive outcomes that will be advantageous to the Baton Rouge area.**”

Economic competitiveness:

Several important gains were made in the area of economic competitiveness. The Digital Interactive Media Incentive Program converted the current incentive, which provides \$6 million in tax credits that generate \$41 million in state revenues, from a transferable tax credit to a refundable tax credit, while allowing companies to choose a rebate option equal to 85 percent of the face value of the credit. Additionally, the Research and Development Tax Credit and the Technology Commercialization Tax Credit were continued for the next six years and the Quality Jobs Program was enhanced. These programs are a vital part of recruiting and business expansion throughout the state.

K-12 reform:

A significant gain was made in the public education system through House Bill 421, which promotes corporations to become partners with area charter schools and can notably improve the level of education the school is able to provide. By partnering with a school through land, school building or space donation, a major renovation project, or capital improvement in areas such as technology, the school is able to implement an enrollment preference of up to 50 percent for children of permanent employees of the corporate partner.

Despite the handful of major achievements in economic development, and some other small wins, there were several missed opportunities during the session in areas of higher education, air services, and funding for Pennington Biomedical Research Center and the LSU South Campus. The session results are summarized in an issue brief, which can be viewed in its entirety at www.brac.org/research. ✨

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BLUE RIBBON COMMISSION

The term “blue ribbon” is used to describe a well-respected group who has been tasked with investigating an issue. Members of the commission are often appointed and maintain a degree of independence from political influence. In February, East Baton Rouge Parish (EBR) Mayor-President Kip Holden asked BRAC and Together Baton Rouge to appoint such a commission to study public transit in the Capital Region.

“

(t)he BRC members included a transit patron, business leaders, religious leaders, civic leaders, members of the university systems, and a civil engineer, among others.

”



From this request, the Blue Ribbon Commission on East Baton Rouge Public Transit (BRC) was formed. The creation of the BRC developed from a recommendation of FUTUREBR, the EBR comprehensive plan, which suggested the Capital Region’s transit system be evaluated, deficiencies identified, and solutions developed to tackle these deficiencies. The mayor presented the BRC with four tasks:

- gather extensive community input of projects in order to create a phased implementation plan;
- estimate project costs and funding options;
- evaluate ways to present the initiatives and fundraising options to EBR voters; and
- consider other factors that may impact the successful implementation of FUTUREBR transit projects.

BRAC and Together Baton Rouge worked to put together a commission with a wide-range of experience and capabilities. Ultimately, the BRC members included a transit patron, business leaders, religious leaders, civic leaders, members of the university systems, and a civil engineer, among others.

The commission had to understand the potential of the system for both “riders of need” and “riders of choice.” See page 15 for a list of commissioners.

The BRC quickly developed a three-phased approach to achieve the goals set forth by Mayor-President Holden. In phase one, the BRC identified the current challenges facing public transit in EBR. The BRC met with local public transit leaders and FUTUREBR consultants and also evaluated peer cities to create a list of problems facing the Capital Region’s public transit system, as well as an estimate of the resources needed to correct these problems. The problems identified include: system inefficiency and route design; public perception; transportation design and amenities; funding; and governance.

The second phase focused on discovering solutions to the problems discovered during phase one. A survey instrument was developed to gather feedback, and over 1,100 surveys were completed. The third phase focused on funding options for the potential solutions. After meeting with city-parish officials to discuss the findings of the three phases, the final recommendations were made in June to Mayor-President Holden and the EBR Metropolitan Council.

THE FINAL REPORT INCLUDED

FIVE KEY RECOMMENDATIONS

1

Implement BRC Proposal B

Three transit options were drafted to address current service and funding gaps. After meeting with residents and polling citizens, it was determined that Proposal B most closely aligned with the will of EBR citizens. This plan calls for a decrease in wait times from seventy-five to fifteen or twenty minutes, amenity overhauls, GPS tracking to the fleet, increased routes and buses during peak hours, express lanes in highly traveled areas, and construction of three new transit hubs to create a grid system in place of the current spoke system.

2

Overhaul existing legislation and governance structure

The current EBR public transit legislation was enacted in 2006 and allows any participating parish's governing body to overrule the actions of the current transit board, which leads to a bifurcated governance structure for transit. The BRC recommended amendments to the existing legislation to place final authority for transit decisions with the transit board, allow for the creation of a transit district from which funding may be generated, enhance board member criteria, and utilize system performance standards.

3

Support new public transit board member nominating process

The BRC recommended that the current board-member nominating process be reformed. Members should include riders-of-need, leaders from organizations who have a vested interest in the transit system, executives from non-profit and human services organizations, business leaders with transit-related experience, and community leaders with a deep interest in the system.

4

Create a dedicated revenue source

The BRC recommended the creation of a dedicated funding source for transit comprised of a twenty-five cent sales tax and property tax below four mills. If approved by the voters of the transit district, this proposal would generate approximately \$18 million annually, allowing for a total transit budget of approximately \$29.9 million. Further, CATS would cease dependence on \$3 million in city-parish funding for core operational costs. The BRC recommended that this \$3 million be used for pedestrian infrastructure improvements connected to the transit system.

5

Launch a public engagement and election drive

An awareness campaign, designed to increase public engagement, needs to be initiated to inform the public of the vision for the new transit system. This campaign could be used to garner support for the proposed dedicated revenue source. ✨

The **Blue Ribbon Commission** is comprised of business, civic, and religious leaders of East Baton Rouge Parish. The members are:

Organization	Position	Commissioner
Together Baton Rouge	Leader	Homer Charles
BRAC	Senior VP, Economic Competitiveness	Meg Mahoney
Metro Council	Mayor Pro Tem	Mike Walker
Mayor's Office	CAO	John Carpenter
LSU	Chancellor	Dr. Mike Martin/Jason Soileau
SUBR	Chancellor	Dr. Kofi Lomotey/ Dr. William Arp, III
BRCC	Chancellor	Dr. Myrtle Dorsey/Ann Zanders
Housing	CEO, Louisiana Association of Affordable Housing Providers	Helena Cunningham
Retail/Restaurants	President/CEO, Associated Grocers, Inc.	Jay Campbell
Finance/Banking	EVP & CFO, Liberty Bank	Leroy Watts
Finance/Banking	Former banking CEO, retired	Graham Thompson
Hospitality/Hotels	General Manager, Embassy Suites	Ralph Ney
National Association of Social Workers	Executive Director, Louisiana Chapter	Carmen Weisner
Faith Based Community	Executive Director, Catholic Charities	David Aguillard
Senior Citizens	State Director, AARP	Nancy McPherson
At-Large	Pastor, Star Hill Baptist Church	Raymond Jetson
Healthcare/Hospitals	President, Baton Rouge General	Bill Holman/Paul Douglas
Faith Based Community	4th District Missionary Baptist Association/ Mid City Community Fellowship	Ronald Williams
At-Large	Felder & Associates, LLC/Forum 35	Cassie Felder
BRAC Business Community	President/CEO, Forte and Tablada, Inc.	Ann Forte Trappey
At-Large	Transit user	Joseph Lands

IN PERSPECTIVE

Each issue of *Catalyst* includes a national expert contributing new ideas about economic development issues.

Business Should Step Up on Schooling

By Frederick M. Hess and Whitney Downs

Baton Rouge's economy has held up well enough through the great recession that *Southern Business & Development* has deemed it "the new economic development rock star in the South." While unemployment soared nationally over the past five years, the city gained over 10,000 new jobs.

The challenge: It's not clear where skilled workers will come from if this happy tale continues. By nearly every measure, the East Baton Rouge Parish School System (EBRPSS)—the state's largest district, spending more than \$400 million a year—needs to do much better. A 2010 BRAC study noted that the district "consistently ranks near the bottom statewide in most

measures of student, school, and district performance."¹ EBR ranks 59th statewide in district-wide student performance; a little more than half of eighth graders tested proficient in English Language Arts in 2010, ten points lower than the state average, and only 60 percent of EBR high school students graduate on-time.²

If Baton Rouge intends to keep its “rock star” moniker, it needs schools that are producing talent and are attractive to corporate honchos. The Baton Rouge business community can play a key role in helping to ensure that EBR is doing just that. Here are a few lessons drawn from a hard look at locales where business is helping to lead the way on K-12 schooling.

PARTNERSHIP IS A TWO-WAY STREET.

Working with school districts doesn't mean carrying their water; it means identifying shared objectives and pursuing them jointly. Business leaders should demand that, in return for their support, school leaders scour budgets, overhaul operations, and commit to clear performance targets. Baton Rouge voters have approved four millage increases since 1998, yielding an extra billion dollars for EBRPSS. Yet it's not clear what EBRPSS has delivered in return. By driving a tougher bargain, business can pour some steel into the backbone of district leaders and ensure that new dollars aren't just subsidizing an unacceptable status quo.

BE THE BALLAST AMIDST DISTRICT TURMOIL.

It's no secret that districts can be revolving doors — with frequent changes in leadership and direction. This can mean that strategies are abandoned before implemented, priorities are shifted as soon as they are adopted, and employees are buffeted by indecision. Business can help combat this tendency by playing the role of tough-love neighbor, and pushing the

school board to stay the course on the strategy they have adopted. Starr Hermann, a director at Metropolitan Nashville Public Schools, said, “I believe [our reforms] would have died if we hadn't had business pushing from the outside.”

PROVIDE EXPERTISE. Business has a prominent and trusted role in the community, making it possible to both support district leaders and hold them accountable. EBR recently approved \$33.3 million worth of budget cuts for the 2011-2012, and is looking at \$94 million in cuts over the next four years. Business leaders know a bit about streamlining operations, and are in a position to share expertise in finances, HR systems, information technology, and accountability with school officials dealing with budget deficits. In Austin, a group of elite chief financial officers meet regularly with the CFO of the Austin Independent School District.

Business leaders serious about school improvement will drive harder bargains with state officials and school district educators, help steady the rudder, provide expertise, and help ensure that educators use new resources and tools to transform—and not merely subsidize—public education. Baton Rouge's bright prospects depend on the ability of its schools to educate and produce the twenty-first century talent the city needs. It's time for Baton Rouge business leaders to roll up their sleeves and help get that done. ✨

Frederick M. Hess is director of education policy studies at the American Enterprise Institute and a former teacher at Scotlandville Magnet High School in EBR. **Whitney Downs** is a research assistant at the American Enterprise Institute. They are coauthors of the 2011 U.S. Chamber of Commerce report *Partnership is a Two-Way Street: What It Takes for Business to Help Drive School Reform*.

¹ Council for a Better Louisiana, “A Snapshot of East Baton Rouge Parish Schools” (Baton Rouge, LA: The Baton Rouge Area Chamber FuturePAC, September 2010).

² East Baton Rouge Parish School System, “District Snapshot,” <http://accountability.ebrschools.org/explore.cfm/performancecores/>, January 2011.

OFF TO WORK WE GO

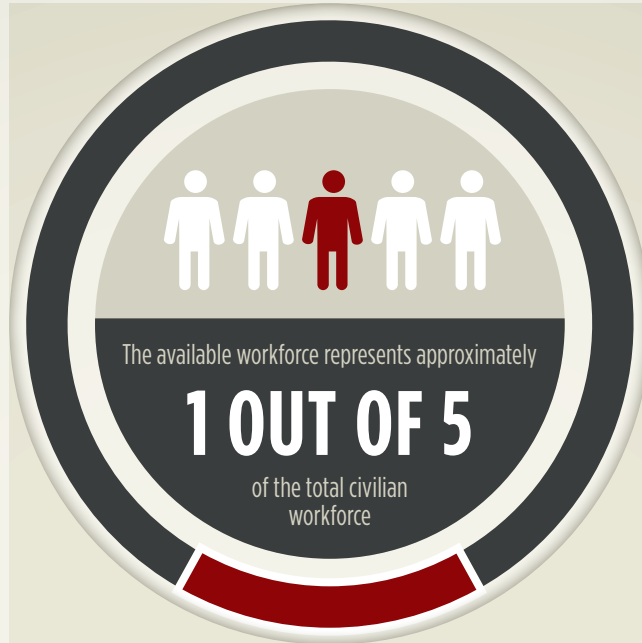
An analysis of the available workforce in the Capital Region



To add another tool to the toolbox, BRAC commissioned The Pathfinders to examine the available workforce in the nine-parish Capital Region. The Pathfinders is a Texas-based consulting group who provides services in the areas of economic development and site selection. When examining the Baton Rouge area, it is extremely useful for site-selection representatives and company leaders to understand the available workforce of the region as they consider new and expanding operations. Having this data readily available demonstrates that BRAC is prepared and ready to assist with a company's relocation and expansion needs.

Baton Rouge Area Population: 793,100

Total Civilian Workforce
342,800



Total Available Workforce
64,900

30,700
are Actively Seeking Employment

Willing to Travel **24 miles**

Desired Pay **\$13.10/hour**

58% FEMALE **42% MALE**

24,100
are Underemployed Workers

Willing to Travel **27 miles**

Desired Pay **\$16.38/hour**

54% FEMALE **46% MALE**

10,100
Consider Re-Entering the Workplace

Willing to Travel **19 miles**

Desired Pay **\$12.90/hour**

66% FEMALE **34% MALE**

8,900
Underemployed Workers have **White Collar / Professional** Experience

Willing to Travel **25 miles**

35% have Bachelor Degree
5% have Graduate Degree

Other Factors Deemed Important
Salary, Location, Insurance Benefits, Retirement Benefits, Paid-Training Programs, Opportunity for Advancement

The report indicated that out of the approximate population of 793,100 in the Capital Region, the civilian labor force equals 342,800, with an additional 30,700 currently seeking employment. Of the 342,800 workers, 24,100 are considered underemployed. A person is deemed underemployed if they are currently working but would accept a better position with a new or current employer and who possess the skills, education, and experience that would qualify them to do this. Additionally, 10,100 individuals would consider re-entering the workforce. All together, the unemployed seeking work, the underemployed, and those considering re-entering the workforce bring the total number of workers available to employees to 64,900.

The current median rate of pay for an underemployed worker is \$14.90 per hour. Their desired pay is \$16.38 per hour. 46 percent of these workers are male and 54 percent are female. 15 percent of these workers have a bachelor's degree and an additional 9 percent have a graduate degree. Currently the average commute for this segment is eighteen miles but they are willing to commute twenty-seven miles.

The desired rate of pay for an unemployed worker who is seeking work is \$13.10 per hour. 10 percent of these workers have a bachelor's degree. 42 percent of these workers are male and 58 percent are female. This segment would be willing to travel an average of 24 miles for a job. The average time actively seeking employment is nineteen weeks.

Of the 10,100 workers who would consider re-entering the workforce but are currently unemployed, the desired rate of pay is \$12.90 per hour. 34 percent are male and 66 percent are female. 4 percent of these potential workers have a bachelor's degree. This segment would be willing to travel an average of nineteen miles to work.

As a sub-report, an analysis was also done on the amount of available workers who have experience in the white collar or professional-services sector. It was concluded that 8,900 workers have experience or skills in this sector and are currently underemployed. 70 percent of these workers are male and 30 percent are female. 35 percent have a bachelor's degree and an additional 5 percent have a graduate degree. The average commute time is eighteen miles. This segment would be willing to travel on average twenty-five miles to work.

Of the 8,900 underemployed white collar or professional workers, approximately 40 percent have been in their current job one to five years while approximately 25 percent have been at their current job over fifteen years. Factors that were deemed extremely important by 65 percent or more of those surveyed included salary, location, insurance benefits, retirement benefits, paid-training programs, and opportunity for advancement.

The report demonstrates that the Baton Rouge area has a broad pool of available workers of various educational backgrounds and with varying levels of experience, including many in the white-collar sector. Having this information, as well as expected compensation, acceptable commute times, and education levels, will help companies relocating or expanding in their planning, as well as once they are working through the hiring process. Equipped with this data, BRAC has become even more valuable to site selectors and company executives considering the Capital Region. ✨

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Economic Development

Investors

The Creative
Capital Agenda
2011-2015

Chairman's Council

Annual Investment of \$100,000+

(Five-year total pledge of at least \$500,000)

All Star Automotive Group • Baton Rouge Area Foundation / Commercial Properties Realty Trust • Credit Bureau of Baton Rouge Foundation • East Baton Rouge Mortgage Finance Authority • ExxonMobil • Guaranty Group • Louisiana State University System • Manship Media (*The Advocate* and WBRZ) • Our Lady of the Lake Regional Medical Center • Research Park Corporation

Executive Council

Annual Investment of \$50,000+

(Five-year total pledge of at least \$250,000)

Adams & Reese Law Firm • Baton Rouge Coca-Cola Bottling Company • Baton Rouge General Medical Center • Blue Cross Blue Shield of Louisiana • Breazeale, Sachse & Wilson, L.L.P. • Capital One Bank • Clear Channel Radio • Cox Communications • CSRS, Inc. • Entergy • G.E.C. Inc. • *Greater Baton Rouge Business Report* • Jones, Walker, Waechter, Poitevent, CarrEre & DenEgre, L.L.P. • JPMorgan Chase • Kean Miller LLP • Lamar Advertising Company • LUBA Workers' Comp • Ochsner Health Center Baton Rouge / Ochsner Medical Center Baton Rouge • Phelps Dunbar, L.L.P. • Regions Bank • Taylor, Porter, Brooks & Phillips, L.L.P. • The Shaw Group Inc. • Turner Industries Group • WAFB • Whitney National Bank

Ambassador Council

Annual Investment of \$25,000+

(Five-year total pledge of at least \$125,000)

Amedisys, Inc. • Baton Rouge Water Company • Brookwood Properties, L.L.C. • D' Honore' Construction, Inc. • Dow Chemical Company • EATEL / SunShine Pages • Greater Baton Rouge Association of REALTORS® • Hancock Bank • Hollywood Casino • Iberia Bank • L'Auberge Casino & Hotel Baton Rouge • MAPP Construction, L.L.C. • Mockler Beverage Company • Performance Contractors • Woman's Hospital

Corporate Council

Annual Investment of \$15,000+

(Five-year total pledge of at least \$75,000)

Antares Technology Solutions • Atmos Energy • AT&T • Georgia Gulf Chemicals & Vinyls, LLC • Lard Oil Company • Manda Fine Meats • Milton J. Womack, Inc. • MMO Behavioral Health Systems • Object 9 • SCI Research • Spharkhound • Venyu Solutions, Inc.

Policy Council

Annual Investment of \$10,000+

(Five-year total pledge of at least \$50,000)

Associated Grocers • Belle of Baton Rouge Casino • Cajun Industries, LLC • Embassy Suites Baton Rouge • Faulk & Winkler, L.L.C. • Gulf South Business Systems & Consultants, Inc. • Hannis T. Bourgeois, LLP • Hollingsworth Richards Automotive Group • I.T. by DESIGN • Louisiana Radio Network / Tiger Rag • McDonald's of Baton Rouge • McGlinchey Stafford PLLC • Postlethwaite & Netterville • Prime Occupational Medicine • SGS Petroleum Services • Starmount Life Insurance Company • Stirling Properties • SJB Group, LLC

Supporting Investor

Annual Investment of \$4,000+

(Five-year total pledge of at least \$20,000)

Acme Refrigeration of Baton Rouge, Inc. • Advantage Capital Partners • Apex Constructors, LLC. • Armstrong Relocation • Ascension Economic Development Corporation • BancorpSouth • BASF Global • Baton Rouge Duplicating Products • Baton Rouge Telco Federal Credit Union • Benny's Car Wash • Brock Services, Ltd. • Campus Federal Credit Union • CH2M Hill • Chenevert Architects • Cintas • Community Coffee Company • Dee Mather-Muenzler Re/Max First • Executone of Central LA, Inc. • Edgen Murray Corporation • EMCO Technologies • Entrepreneur Headquarters • Felder's Collision Parts, Inc. • First Bank and Trust • Formosa Plastics • Forte and Tablada, Inc. • GoodPeople • GOTECH, Inc. • Grace and Hebert • Gulf Coast BIDCO • Harmony Center • Harris Manor Realty • Hearin Properties - PODS • ISC Constructors, LLC • KPMG LLP • Kurz & Hebert Commercial Real Estate, Inc. • La Capitol Federal Credit Union • Launch Media • Lee Michaels Fine Jewelry • Lipsey's • Lofton Staffing Services • Lyons Specialty Company • Mary Bird Perkins Cancer Center • Massengale Grounds Management, Inc. • MidSouth Bank • Neighbors Federal Credit Union • Piccadilly Restaurants • Raising Cane's Chicken Fingers • Remson, Haley, Herpin Architects, APAC • Roedel Parsons Koch Blache Balhoff & McCollister • Southpoint Volkswagen • SSA Consultants • Star Service • State Bank & Trust Company • State Farm Insurance • Stonehenge Capital Company • Stone Pigman Walther Wittmann, LLC • The Celtic Group • *The Livingston Parish News* • Union Pacific Railroad • Wampold Companies

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