



A Competitiveness Blueprint: Iowa 2025

Assessing Iowa's Historical, Current, and Future Economic Prosperity and Growth Through Benchmarking, Trends Analysis, and Fact-Based Scenario Setting

A Report to



Iowa Business Council

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Executive Summary

Defining Competitiveness: “...Set of institutions, policies, and factors that determine the level of productivity...The level of productivity, in turn, sets the sustainable level of prosperity that can be earned by an economy. The productivity level also determines the rates of return obtained by investments (physical, human, and technological) in an economy. Because the rates of return are the fundamental drivers of the growth rates of the economy, a more competitive economy is one that is likely to grow faster in the medium to long run.” (source: the Global Competitiveness Report 2010-2011, World Economic Forum)

Or said simply: expanding personal and business incomes ensures competitiveness of people and companies by providing the necessary resources to invest in, buy from, and grow an economy for Iowa’s future generations.

This perspective prompted the formation of the 2001 Case for Change and the subsequent Framework for Action. Nearly a decade after its initial work, the Iowa Business Council believes there is a need for reassessment of the current business climate and conditions for future economic growth prospects. The Council, comprised of corporate and academic leaders, has found through in-depth data collection and comprehensive analysis that gaps often remain in the State’s competitiveness on a domestic and global scale. Until these gaps receive further attention by private and public sectors, then Iowa will face potentially and increasingly difficult times ahead.

Regionnovate’s key finding for this reassessment: if Iowa is to make significant strides to ensure a competitive Iowa by 2025 or sooner, then continuing to invest in people, infrastructure and economic opportunity, addressing imbalances in governance, and organizing the State and regional economic growth prospects by key strengths MUST become an adopted message and proactive agenda for the Council membership and its partners.

A general proposition for the newest ‘case for change’ is simple: ***Iowa cannot invest in those opportunities that will make it nationally and globally competitive while continuing to invest in non-productive programs, maintaining the status quo in government services and practices, and not accepting the realities of its fiscal situation. Therefore, pushing tough choices to future generations creates a lack of accountability.***

An updated assessment seeks to be transformative, profound, and a game-changer for Iowans and their future. Because the Council’s values have not changed regarding the demand for a competitive Iowa business and economic climate, Regionnovate’s emphasis is even stronger for action and accountability!

In 2010, what is the greatest challenge, threat or issue facing Iowans and their economic competitiveness?

DEMOGRAPHIC CHALLENGE

Fact: Iowa’s population increased by 2.8% between April 1, 2000 and July 1, 2009 whereas the U.S. population increased more than three times faster at a rate of 9.1%.
- Only 22 of the state’s 99 counties posted any population growth during the decade, and only nine grew by 5% or more.

ECONOMIC PROSPERITY CHALLENGE



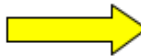

Fact: Personal incomes grew over the past decade by nearly 50% (from an average of \$27,293 to \$37,509). The Gross State Product grew nearly 35% from 2003-2008, with industry output contributing 40% of such growth

The answer: ensuring opportunities for growth of their incomes, based on the strength of their skills, access to critical infrastructure, a sustainable quality of life, and a hospitable climate for businesses to flourish. However, on-going issues in education, workforce, economic development, and governance of citizen resources challenge these aspirations

To address these barriers and opportunities, Regionnovate proposes a ***Blueprint for Iowa 2025***. We encourage, through the Iowa Business Council’s long-standing mission, to advocate for Iowa’s economic competitiveness by reducing barriers and limitations, as well as leveraging the State’s unique assets. In the past, through public discourse and debate, the Council has sought to catalyze solutions for Iowans and their future prosperity. This ***Blueprint for Iowa 2025*** continues these traditions and values that the Council has advanced over the years.

Our Assignment and Task: The Underpinnings of The Blueprint

Regionnovate LLC was retained by the Iowa Business Council and worked with the Deputies Committee over the past nine months to define critical elements for assessing the historical, current, and future economic prospects. Based on the work conducted by Richard Seline nearly a decade ago for the Council in its endeavors on the *Case for Change, Framework for Action*, and the CEO Summit at the University of Northern Iowa, the Deputies sought an external, neutral third-party review of Iowa’s current and future business climate for growth.

STRATEGIC COMMITMENTS	PRINCIPLES	METRICS	GOALS & ACTIONS
WHAT WE WANT FOR IOWA	WHAT IT WOULD MEAN FOR THE STATE, PEOPLE, BUSINESSES	HOW WE WILL KNOW IF WE'RE MAKING PROGRESS	HOW WE CAN GET WHERE WE NEED TO BE
			

2001 Framework for Action: Facilitation Guide (Achieving Results)

Our methodology included:

- Capture and assessment of all previous reports on Iowa’s economic, demographic, fiscal, policy-related, and regional industry sector investments, programs, and initiatives, including determination of progress based on recommendations from each report
- Capture and assessment of best practices, benchmarked programs, and competitor state approaches to economic development, fiscal and financial policies, and general business climate initiatives
- High level analysis of Iowa’s current industry clusters as well as growth-oriented innovation strategies in support of new product, service and intellectual property development across academic and corporate interests
- Identification of alternative economic prosperity scenarios for Iowa based on current and emerging trends and forecasts, thereby informing a SWOT (strengths-weaknesses-opportunities-threat) assessment of competitive advantages as well as barriers, limitations, and challenges

- On-going communications with the Deputies and a small working group of the CEOs from the Council so as to gain vital insights, subject matter expertise on the ground in Iowa, and leadership expectations for advancing recommendations

Driving Iowa Forward: Purpose of the Blueprint

“ The purpose of evaluating Iowa’s competitive posture is to re-visit questions posed in 2001 and from similar efforts, update progress in those areas of concern, and introduce any new issues that warrant immediate consideration. The desired outcome is to offer a blue print for policymakers that identifies those economic and workforce development challenges the State needs to address now. And to identify initiatives and projects that IBC would consider to implement, catalyze, and/or encourage alignment of existing endeavors.” (Charge to the Deputies & Regionnovate)

The Iowa Business Council has continued to support several initiatives that mitigate identified weaknesses or leverage competitive advantages in pursuit of excellence in commerce, workforce development, and education. It is imperative for Iowa to proactively address issues that promote a strong, vigorous, and welcoming business climate while developing a skilled and diverse workforce. Therefore, in the Council’s long tradition of stimulating and advocating public discussion on the State’s economic growth and competitiveness, Regionnovate has conducted an updated Case for Change 2001 through a Blueprint for Iowa 2025.

Focus of the Blueprint:

Regionnovate’s fact-finding and analysis was guided by the identification of answers to the following two Critical Questions on Iowa’s Future, leading to prioritized recommendations for action:

What must be done now to maintain positive growth trends in Iowa five, ten, twenty years down the road? And how do concerned and engaged Iowans, make sure their state’s economy continues to compete and thrive in the national and global marketplace?

The Blueprint for Iowa 2025 seeks to focus attention on a set of opportunities, challenges and the necessary recommended actions that acknowledge where Iowa has been, where it is currently, and where it must given attention in the future to be a competitive economic engine for all Iowans.

As highlighted to the right, ‘Challenge’ boxes are included throughout the Blueprint so as to call attention to the underlying facts for discussion and debate. Simply, the facts speak for themselves – and provide vital insight to addressing these questions consistently and objectively.

Regionnovate has proposed and drafted an initial Competitiveness Index (or the makings of a scorecard) that identifies certain indicators – based on over 700 metrics found globally - deemed to be significant and determinative in gauging an economy’s progress, identifying areas that need attention or reassessment, and a means of celebrating successful implementation. We have

ECONOMIC PROSPERITY CHALLENGE

Fact: Iowa’s 2010 Employment Base is approximately 1.5 million employed with 253,000 in State and Local Government, 296,000 in Trade and Transportation, 210,000 in Education and Health Care, 203,000 in Manufacturing, and 100,000 in Financial Services/Activity.

provided draft recommendations for the Council’s consideration and eventual decision on where to place its resources (time, reputation, monies, and thought-leadership).

One critical and overarching recommendation for Council consideration is to host, through its long-standing role as a convener and facilitator, a ***Blueprint Forum on Iowa 2025*** to discuss and prioritize the findings, goals, recommendations and possible performance measures suggested through this assessment.

The current initiatives, roundtables, working groups, and advisory councils examining options and implementing solutions on any number of challenges has not been convened on a statewide basis; if efficient use of time and resources are to be allotted to resolving Iowa’s weaknesses and exploiting its advantages, now is the time to bring together several common threads for concurrence on goals, objectives, and most importantly accountability for implementation through agreement on the indicators and metrics requiring attention. The following sample inventory of initiatives and programs include Council representation and resources invested from corporate sponsorship and individual philanthropic gifts.

Sample of Iowa Initiatives in Economic, Workforce, Education, Health and Business Affairs (inclusive of IBC Representation)

- Advanced Manufacturing Conference Advisory Committee
- Advanced Manufacturing Research & Collaboration Cluster
- Alternative Materials & Energy Resources Work Group
- Business-Education Alliance Executive Roundtable
- Business Expansion Strategic Trends (BEST) of Iowa Advisory Council
- Center for Industrial Research and Study (CIRAS) Advisory Council
- Coalition of Iowa Business Associations
- Iowa Biotechnology Association
- Iowa Committee for Value in Healthcare Advisory Group
- Iowa Healthcare Collaborative
- Iowa Innovation Council
- Iowa Department of Education Race To The Top Advisory Group
- Iowa Department of Public Health e-Health Executive Committee
- Iowa Department of Revenue Business Advisory Group
- Iowa Math & Science Coalition
- Iowa Math & Science Education Partnership (IMSEP) Advisory Council
- Iowa State University Engineering College Industrial Advisory Board
- Iowa Virtual Reality Education Pathways (I-VREP) Strategic Advisory Committee
- Iowa Workforce Development Legislative Agenda Development Work Group
- Lean Government Collaborative
- Safeguard Iowa Partnership
- State Business Executives Roundtable

We further recognize that there are several important and significant initiatives and projects underway at the local levels throughout Iowa; with the adoption of a regional approach as described in following sections, there is an opportunity to connect the entire range of interests and participants across the State into a more strategic discussion about assets, investments, and outcomes.

Looking Back on The Case for Change in 2001

In 2001, the Council completed a significant agenda around the ‘Case for Change’ suggesting that unique challenges and opportunities existed in public and private sectors that could limit or propel the economy and climate for competitiveness. As noted, the 2001 agenda sought to identify only a handful of actions for which the Council – the business community, academic leadership and partners – could effectively champion and implement.

The initial Case for Change provided a fact-based assessment of Iowa’s economic situation in light of comparison with other states and communities. It recognized where strengths created an advantage and where shortcomings could eventually have a negative impact on job-formation and expansion of company growth. Over the course of six months, culminating in a half-day forum with nearly 70 leaders from across the State, a Framework for Action was developed around five specific challenges on which small working groups or Action Teams shaped implementation plans and initiatives. Appropriately the Council sought to engage the best minds in the public and private sectors to define solutions, many of which continue to have an impact on and benefit the State’s economic competitiveness.

Where We Have Been: The 2001/2002 Framework for Action




The immediate effect of the Framework was the role of the Council as a catalyst for results-oriented goals. The secondary recommendations and potential goals emerged over the decade with additional results. The so-called ‘ripple effect’ has included a broader agenda in areas of government efficiency using private sector practices, improved education results for current and future generations, and betterment of employees and citizens lives through a focus on life sciences, health-care, and wellness.


Ripple Effect of the Framework for Action: Highlights from the Past Decade of Work

The Framework identified Five Critical Actions and several second phase areas of interest. Over the past ten years, the IBC has continued to engage in subsequent effects from the *Case for Change* Initiative including:


- Transforming the Economic Development Landscape and Delivery


 Focus on driving competitiveness and innovation through the current Iowa Innovation Council

- Ensuring the Competitiveness of All Iowans Through Learning


 Focus on Early Childhood Education, STEM (Science, Technology, Engineering, Math) Curricula, Role of Higher Education in Economic Opportunities Through Skill Development

- Converting Life Science Capacities to Health Care Outcomes


 Focus on Prevention through a business-led '*PE4life*' campaign to reduce obesity; identify other Corporate Partnerships with Health Care Delivery on Prevention Programs

Lessons Learned from Prior Efforts

The Council seeks to examine results from and the possible renewal of the successful process from the 2001-2002 Case for Change and the Framework for Action by assessing both progress and continued threats to Iowa's relative growth. What Regionnovate has determined - though the 'needle' has moved a bit - is that certain issues have only worsened since our last review nearly ten years ago (e.g. college graduation rates and educational fulfillment is a key example).

COLLEGE GRADUATION CHALLENGE

Fact: over 92% of Iowa students graduate from high school, while only 25% complete their college careers.

At the same time, we must encourage the continuation – and even the expansion – of successful initiatives and programs begun over the past decade; Council members and partners have expended time and energies year after year – and now is not the time to neither diminish nor

COLLEGE GRADUATION CHALLENGE

Fact: Of 100 students starting 9th grade, 85 will graduate. Of 30 students starting a 4 year institution, only 9 will graduate, and of 22 starting a 2-year institution, only 7 will graduate

divert attention. If anything, a renewed sense of urgency has been outlined on the following pages that should cause the Council to re-engage previous patterns of convening, convincing, and connecting with others of like mind about the State's lack of or unique advantages in competitiveness for growth.

A New Sense of Urgency for the Next Decade

Through the lens of external rankings and internal indicators, the underlying data speak for a new sense of urgency – and a renewed commitment to focus attention, resources, and leadership from all Iowa sectors to ensure national and global competitiveness in light of numerous unfolding scenarios. For instance, Iowans have long known that many of communities are declining in population while other U.S. and international cities and regions are expanding and accelerating through industry clusters, retention of students and entrepreneurs, spin-offs, and corporate market-share growth.

However we have identified the ‘Iowa quandary’ – on one hand specific Iowa communities are recognized in popular rankings for successfully chartering economic growth through the past decade and the recent recession, and on the other hand some rankings suggest that Iowa has a negative business tax climate, is difficult for doing business, and may have other fiscal and financial clouds on the horizon. These competing rankings and perspectives suggest that the Council must view the sense of urgency based on the facts, not perceptions nor external rankings. Through an index or scorecard, only Iowans can frame what matters most to Iowans!

Our analysis and findings suggest that the sense of urgency facing Iowans in 2010-11 includes:

State and local expenditures for debt and fiscal challenges outstrips resources needed for new investments, more focused allocations and investments in activities that would produce growth. Since several Iowa locations have had negative population growth year on year, and as populations have shrunk, so have the revenues of these jurisdictions. The use of bonds and other debt financing has put a number of government institutions in a precarious position as these locations show limited signs of re-generating their taxable revenue base unless new strategies are adopted for attracting additional industries, sectors, and/or value-added processes.

FISCAL CHALLENGE

Fact: Cities report "Utilities/Sewers" (29.0%) and "Other" (28.9%) as the most common purposes for bonds issued in FY 2008.
- Counties report "Parks and Recreation" (21.3%), "Public Buildings" (17.3%), and "Public Safety" (32.0%) as the most common purposes for bonds issued in FY 2008.

Over the past decade, a majority of federal expenditures in Iowa have increasingly become transfer related payments in social services and health benefits, not for growth oriented activities that build incomes, enhance assets and infrastructure for attracting companies and investors to the State, nor expand capital necessary for entrepreneurs and businesses. These imbalances in allocated resources limit vital investments for supporting and expanding Iowa’s clusters and innovative capacities.

FISCAL CHALLENGE

Fact: The federal infusion of Recovery Act monies in unemployment insurance pumped nearly \$376 million temporarily into the Iowa economy to mitigate job loss and operating costs.

Since the Knowledge Economy is centered on educational prowess, research facilities and equipment, and the resulting commercialization process, the retention of students and in turn innovators resulting from the academic setting has moderately increased but not kept pace with national trends. We have found in benchmarking other states and regions that industry sponsored research, targeted federal grants and contracts, and leveraged philanthropic investments in Iowa’s higher education is at a critical point for maintaining a

competitive advantage. While some states have created unique initiatives to connect the academic campuses to industry, entrepreneur, and innovation-based economic development, Iowa is only just now examining this course of action.

Iowa's population gap and lack of diversity has become a detriment to the future workforce supply forecast of demand as well as overall business planning that require a constant access to a steady pool of skills, including top science, technical talent. In reviewing many of the Council's member websites and communications tools, 'diversity' has been an adopted corporate mission, and yet there is no clear public sector strategy to address this unique and critical challenge

ECONOMIC PROSPERITY CHALLENGE

Fact: Manufacturing is the second leading driver of the Gross State Product, and drives the majority of exported non-agricultural products for the past decade. Yet high-tech jobs in other sectors have not kept pace with national growth in IT, software, electronics, energy, advanced materials sectors.

Finally the two-year old recession, and in turn the current recovery, is causing consolidation and retrenchment of firms from abroad as well as within the United States. A number of corporations are re-examining where to concentrate their operations and centralize their manufacturing processes.

Therefore whether Iowa is a choice location is up for grabs.

We believe that these and similar challenges have sparked renewed urgency for the Council's attention and response, as well as engagement with partners throughout the State viewing the urgency with the same concern.

Change Will Continue To Impact Iowa: Highlighting Trends and Forecasts

A decade ago, the Council's Case for Change suggested 'change' is a constant that Iowans must accept and embrace rather than fear. Today's uncertainty in private and public revenue generation requires attention to leveraging resources and efficiencies in times of a permanent economic and society 'turbulence'; therefore **aligning growth prospects with a stable and sustainable business climate is critical.**

ECONOMIC PROSPERITY CHALLENGE

Fact: Projected clusters/sectors for growth by 2016 ranked highest are Social Assistance, Sightseeing, Internet Publishing, Gambling-Gaming, Securities-Commodities Trading, Funds-Trust Management, Water and Truck Transportation

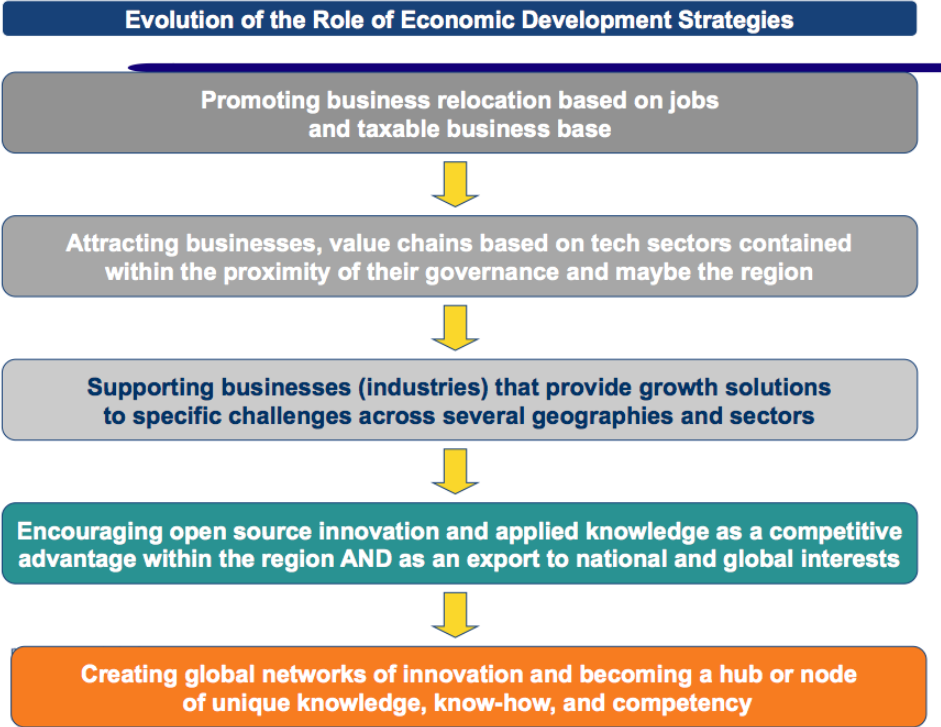
While Iowa have made strides in adopting and implementing industry cluster development, the best minds and brains do not have to be located in Iowa to 'win' economically nor professionally; therefore **Iowa must consider a talent 'development and recruitment' strategy as key to global competitiveness.**

Because of 'disruptive' technological and manufacturing advancements, Iowa's industries and sectors will require greater differentiation of markets and services in the future to maintain competitiveness; therefore **increasing global networks and regional relationships among Iowans is vital to move ideas, products, and solutions into Iowa's companies, communities, and institutions.**

Thus, coordinated actions among sectors, institutions, organizations, and government necessitate stronger, sustainable partnerships for the public and private sector; therefore **data collection,**

analysis, and knowledge sharing is paramount to anticipating scenarios rather than reacting to circumstances. Removing barriers and ending stovepipes – especially across departments, agencies, and programs as well as with the private sector – is now critical.

The evolution in the mindset that the Iowa Business Council sparked nearly a decade ago requires a recommitment to ‘change’ for purposes of maintaining good work towards and to fine-tuning the delivery of economic, workforce, research, commercialization, and innovation capacity among institutions, industries, investors, and innovators. Those states and regions that have progressed in the evolution of their economic strategies did so based on the civic, business, and academic leadership driving an agenda on specific steps and initiatives, and of course performance and accountability for results.



Constantly monitoring the economic landscape and consistently modifying plans as appropriate to meet and exceed competitor states and nations is no longer an option for Iowa. In light of the ongoing economic turbulence facing the Nation and in turn Iowa, reassessing how the near-term economic development infrastructure, strategies, policies, and operations meet the test of the global competitive marketplace is now vital to successfully implementing the Blueprint’s goals and recommendations.

Where Iowa Currently Stands: A Frank Overview of Today's Iowa

We recognize and honor Iowa's agricultural heritage and strength, but to assure its long-term prosperity and impact it must continue to adapt through value-added innovation, thereby serving the health, well-being, energy needs of Iowa citizens and the Nation as a whole. The State is fortunate that agriculture has provided some stability during this most recent recession, but overall it cannot solely rely on a commodity product-base in a highly competitive global marketplace.

MARKET ACCESS CHALLENGE

Fact: for the past five years, the same 25 commodities and products garnered approximately 48% (little change) of all Iowa exports to foreign markets. Total exports have increased by 25%, with Brazil increasingly ranked highest as a target market

Another Iowa quandary is the State's very young versus aging population – polar extremes – coupled with a lack of diversity that limits the future supply of the workforce, while in turn tapping public services at an alarming rate. This convergence of population and demographic challenges has increased demand on government resources and services, and therefore significantly impacted demands for new revenue generation. And reliance upon federal offsets can no longer be counted in the State's fiscal scenario.

DEMOGRAPHIC CHALLENGE

Fact: According to US Census tracking, the State's fastest growing demographics are Young Hispanics and Rural-based Elderly.

In turn, Iowa's highly regarded work ethic, nationally-recognized training programs, and on-going commitment to skills development could be diminished by ending or reducing resources for continuous improvement of employees and the next generation of the workforce.

The emergence of highly concentrated commercial centers and urban cores while maintaining continuity of services, programs and investments in rural communities has reached an imbalance that necessitates a more cooperative regional approach and delivery. Iowa is late to the game as contrasted with other states that have adopted their own responses, while at the same time the federal government has increasingly focused on large-scale resource distribution through regionalism. Regionalism is not the ending of county government or changing political jurisdictions; however it is the recognition that boundaries are artificial to the movement of goods, people, ideas, and transactions that rely on assets found in proximity to each other.

ECONOMIC CENTERS CHALLENGE

Fact: Approximately 15 counties have produced 60+% of the State's population and income growth for the past decade. (Dallas leads the State)

When assessing Iowa's capacity to commercialize and innovate from its inherent knowledge and know-how, we are concerned with the limited utilization of the academic asset-base. The unique academic and corporate research and development of ideas, products, services needing access to more global markets and investors has not been addressed in a more aggressive strategy by state

and local economic development interests. The world comes to Iowa to participate in the Food Prize programs and events, and yet in turn there is little evidence of a more organized outreach to the world to promote Iowa's economic and technological capabilities and knowledge. Iowa's corporate base of domestic and international networks are an advantage that has not been tapped to its fullest.

Pre-K thru 12 SYSTEM CHALLENGE

Fact: Iowa operates approximately 1542 schools, in 364 local districts, with some 36,089 full-time teachers, at a cost per pupil of \$8,753. In the 2008 school year, there were 485,115 children enrolled.

Finally, over the past decade, Iowans have sought to organize, plan, and create solutions to several threats to their economic prosperity through increased civic engagement and public-private partnerships. However, in their exuberance to address past and current challenges, the State has become fragmented with many agendas, missions, and ultimately competing goals. Such fragmentation has often led to miscommunications or lack of clarity about the end-point for the vital work and investment in long-term recommendations.

Simply, the metrics and accountability for results may have become lost in the 'doing' – and therefore a review of progress and assessing tactics is necessary to achieve even greater success. Since several Council members are often called upon to lead, drive, invest, and sponsor the work of these various agendas, the Council could be a convening body for assessing the 'doing' with the results and outcomes.

A Situational Analysis of Iowa's Current Landscape and Economic Scenario

Based on our analysis and assessment, we prioritized the key themes requiring on-going attention and measurement. In hindsight, the issues and challenges raised ten years ago led to ambitious and transformational actions. Ten years later, the 'fundamentals' still remain as unfinished business; for too long structural, operational, and economical impediments have Iowa placed as 'stuck in the middle' and with only incremental progress.

FISCAL CHALLENGE

Fact: The average corporate income tax rate among Midwestern US States is 8.493% and Iowa has the highest top rate at 12.00%; Note 50% of these taxes are deductible from federal taxes and the top bracket is \$250,000 in Iowa.

To be sure, there is a resiliency that has allowed Iowa to not falter as significantly as others. Real estate, housing, financial, and retail sectors have seen better days, but have not plummeted, as is the case in Michigan, Wisconsin, and Illinois. Iowa is blessed as has been noted with an agricultural sector that is buoyed by global markets and new uses such as energy, organics, and consumer packaging. And academic institutions have increased funding for research, facilities, and equipment that allows them to attract competitive faculty and students to the State.

With these data-points as a baseline for the Council's examination of the current and future competitiveness environment, a set of metrics and indicators were presented and discussed with the Deputies of the Council. We first sought to define where Iowa leads, competes, and/or lags as contrasted with other states and nations.

Competitive Landscape Snapshot

Where Iowa Leads	Where Iowa Competes	Where Iowa Lags
Ag Seed R&D, production, crop management	Income Growth	Overall Corporate and Individual Tax Burden
Wind-based energy	Low Cost of Living	Government Debt Ratio
Financial Services Cluster	Low Workers Compensation Costs	Business Incubation and Early Stage Startups, Funding
Lowest Level of Income Disparity	Science and Engineering Grads and Degree Per Population	New Exports and New Market Access
Low Commuting and Travel Times	Air and Environmental Quality	Policies Favoring Entrepreneurs, Small Business Growth
Top Rank for Legal Liability System (Fair & Balanced)	Online Population, Use of Internet for Business	Broadband Distribution, Access
Low Overall Crime Rates	Human Capital Investment for Training, Skills Development	Taxes as a Share of State and Local Revenues
Manufacturing as a Share of Gross State Product	Student Resources and College Participation	Net Migration of Targeted Populations (Science, Skills)
Statewide Minimum Wage	Sales Tax Burden	Electronic Public Services

The challenge is to identify where Iowa must improve as well as sustain competitive scenarios. The Council and its partners want to ensure that competitive advantages do not slip against external forces of global competitors, new technologies and disruptive innovations, nor missed opportunities to attract or recruit participants in the supplier chains to Iowa. Increasingly, there are red flags that have emerged – warnings on the horizon about negative trends for the fundamentals in Iowa’s fiscal, financial, business, governmental, and organizational practices and policies.

GOVERNANCE CHALLENGE

Fact: County and local elected officials salaries increased 2.6% on average in 2008-2009; the 30 least populated counties government salaries rose 3.25% on average.

There is no replacement for assessing performance and having the honest, frank conversation about challenges, gaps, and in some cases politically

FISCAL CHALLENGE

Fact: With 99 counties operating in the State, 77 continue to face deficit spending and rising debts, all the while having zero or negative population growth. Service delivery remains at similar levels over the past decade based on state and local share of government employment.

difficult crossroads. Through Council hosted and/or sponsored forums, there has been agreement in the past with concurrence on ‘highest common denominators’ on which to coordinate resources, thinking, and implementation tactics.

For instance, the Council introduced and the State responded to the suggestion from the Framework for Action that a six-sigma approach to reviewing practices and policies within departments and agencies. The creation the

LEAN Collaborative is a successful approach to public-private partnership; by bringing the best practices of business reorganization to the day-to-day planning and budgeting of government services leverages knowledge and real-world, tested expertise. We have found that those states with competitiveness strategies continue and even expand programs such as LEAN during times of economic and fiscal turbulence.

We commend the Iowa public sector for the adoption of LEAN, and encourage the use of a scorecard or competitiveness index (as noted further in this report) as a continuation down the path of coordination and collaboration among management and staff. To some degree, large organizations often fail to remember the original service intent or even review their mission statement to ensure successful implementation. If the indicators and performance are not improving, then continuing to do the same thing over and over again deserves to be questioned.

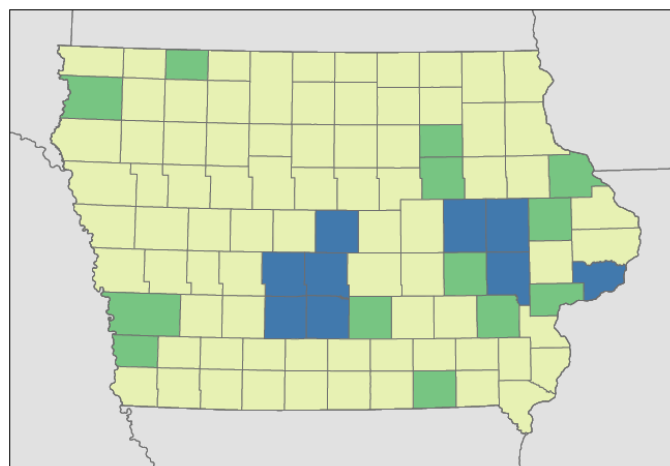
Due to the budget and financial challenges at the regional, county, and local levels, adoption of similar metrics of performance as well as the role of the LEAN Collaborative throughout the State is encouraged. Several states have formed similar endeavors recently – Indiana, Virginia, Colorado to name a few but none are as sophisticated as Iowa’s LEAN initiative!

By way of example of an expanded scenario for LEAN-type activities, Iowa State University in its recent reorganization of extension programs will more efficiently and effectively deliver services across multiple counties. These bold moves to address improving service delivery while maintaining a handle on budgets and expenditures during fiscal challenges must become the norm for Iowans.

In our benchmarking exercise of best practices, the emergence of regionalism is another ‘norm’ appearing throughout the Nation. Defined as a seamless geography whereby economic activities, transactions, people, and resources flow easily across borders and boundaries, the federal government views regions as a preferred mechanism for delivering grants and contracts. Over the past four years of two different White House Administrations, a number of national competitions have been held that require ‘regional’ responses (surrounding commercial centers) to large-scale funding of workforce, scientific, infrastructure, housing, and economic development initiatives. It is expected that Congress will continue to support consolidation of programs by regions.

DEMOGRAPHIC CHALLENGE

Fact: The state’s rate of natural population growth has averaged just under 0.4% annually since 2000. 42 of Iowa’s counties experienced natural population declines from 2000-2009.
 - Iowa’s population loss from net out-migration for the decade thus far approaches 16,000 residents. These losses are widespread throughout the state



Percentage Change in Total Population, 2000-2009

Total percentage change
 Yellow Loss
 Green Gain 0-5 percent
 Blue Gain 5 percent or more

The current perspective of 'regionalism' affords multiple counties and communities to leverage each other's assets, institutions, infrastructure, talent pool, and operations to the mutual benefit of citizens and companies alike. Increasingly, federal agencies and programs are encouraging combinations of grants and delivery among transportation, infrastructure, housing, and economic development.

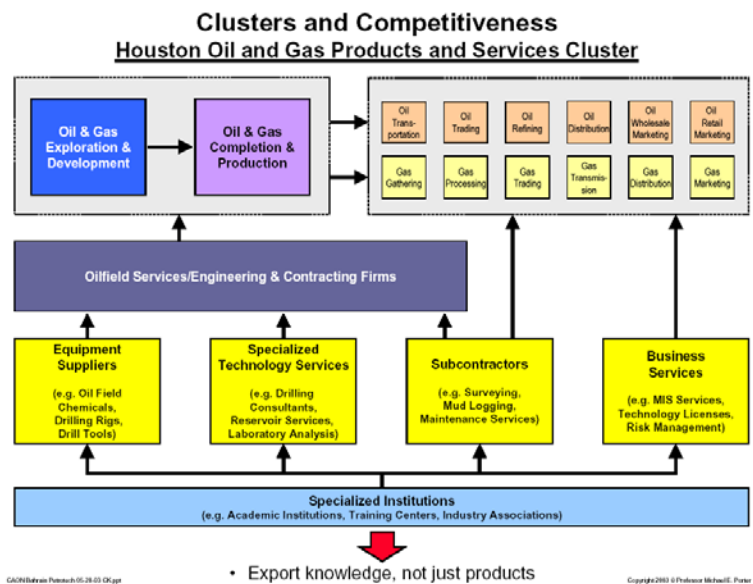
INFRASTRUCTURE CHALLENGE

Fact: The total amount of infrastructure-related expenditures by Iowa were \$281.0 during the actual FY 2008, \$553.7 during the actual FY 2009, and \$591.0 for the estimated FY 2010. Post-flood and Recovery federal (one-time) grants are not included in these amounts.

From Clusters of Industry to Clusters of Knowledge: Iowa's Competitive Advantages

Ten years ago, the Council encouraged state and academic partners to adopt an industry cluster model based on the work of Harvard University's Michael Porter and team that had examined robust economies around the United States. Currently the Financial Sector Cluster in Iowa has successfully attracted and built a value-chain of companies, suppliers, and talent to serve the needs of the national consumer and commercial insurance sector. Obviously the agricultural sector has continued to evolve its cluster profile, while the life sciences and biotech industry has slowly emerged to a lesser degree.

Clusters, using the Harvard model, are aggregations of employment and wage concentrations within certain geography. The formation of clusters assumes that some elements of the economic outcomes will stay local while a majority of the goods and services are exported. Advanced Manufacturing tends to serve the needs of national and global markets – and as such sees increased value from accessing new markets in China, South America, and Europe. Therefore, a thriving and competitive cluster is marked by the increasing and sustainable market-share derived from exporting beyond the local geography. *This is one factor for re-examining Iowa's approach to economic development: we want to know what percentage of national and global market-share should be captured in Iowa's clusters as a result of a healthy, competitive business climate.*



ECONOMIC PROSPERITY CHALLENGE

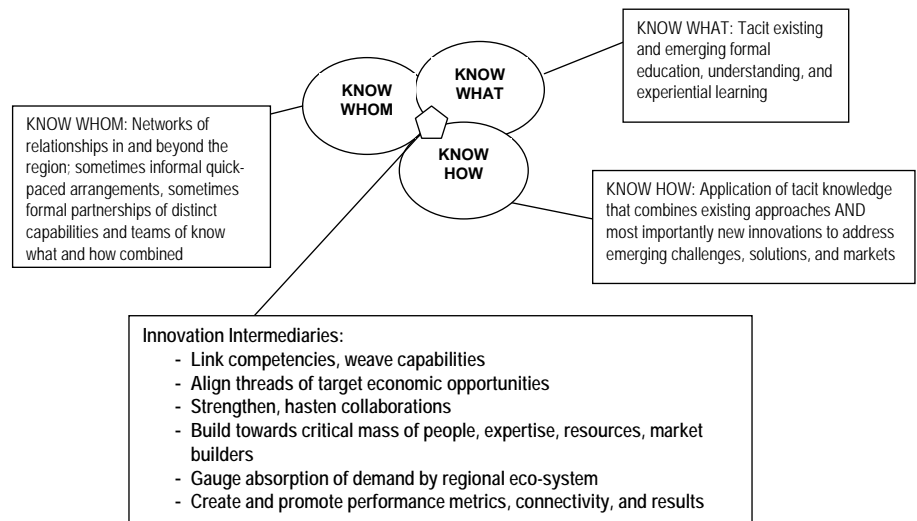
Fact: Iowa Farm Exports grew from \$3.92 billion in 2004 to well over \$8.2 billion in 2009 with course grains, soybeans, and live animals as the largest export items. Brazil became the fastest growing market for Iowa products.

However, over the past few years, we have assessed cluster development at a level that focuses on occupations, skills, and competencies since industries have begun to converge through crossover technologies, crafts, and production. For instance, in benchmarking Iowa's agriculture cluster, we examined the Northwest U.S. (Washington State, Oregon, Idaho, Northern California) and the Upstate New York clusters. In both instances we found skills once only identified in one cluster were now ensuring competitiveness in other sectors (e.g. Rochester's skills in optics and imaging were now being used in food inspection, food security).

In some locations, expertise in chemical manufacturing and production are now directly benefiting pharmaceutical and biologic developments. Historically the importance of rum and whiskey fermentation and production directly resulted in future clusters in Puerto Rico and Ireland for their global pharmaceutical economies. More recently, Southern California and Denver’s strengths in aerospace (and advanced materials) have directly attributed to design and manufacturing in solar and wind alternative energy clusters. Greater Kansas City and to some degree the State of Kansas as a whole hosts nearly 40% of the global market-share in animal research, testing and product development that led to the attraction of a recent \$500mm federal laboratory and the recruitment of several global corporate expansions.

Therefore, Iowa must consider broadening its focus on clusters to include linking critical elements of ‘know-what, know-how, and know-whom’ that emerge from an integrated, multi-disciplinary and networked economy. The successful adoption of Industry Clusters based on the Council’s work a decade ago requires a more in-depth assessment and upgrading of economic strategic planning. The implications for Iowa’s future economic development delivery are:

Underpinnings of Regional Competitive Knowledge Models



Source: *New Economy Strategies, LLC*

- Greater coordination between the State’s workforce, higher education, economic development and transportation leadership, management, and strategic planning efforts in an executive branch-driven office similar to an ‘Iowa Jobs Cabinet’
- Interactions between business and academic human resource demands and the supply-chains for certifications, degrees, skills upgrade, and similar progress in a workforce continuum of activities and investments
- Increased focus on recruitment and retention of students, faculty, researchers, technical talent, and a diverse workforce that is benchmarked against global standards of competency
- Formation of networks across the State’s regional assets, institutions, and business/industry interests to monitor on-going resource requirements and investments based on knowledge accumulation – and then where knowledge can be applied towards new markets and opportunities from scientific, technological, engineering, and manufacturing expertise.

Based on our review of current investments by academic, government and corporate lowan interests against the backdrop of global trends and forecasts, we have identified five unique Clusters of Knowledge for consideration:

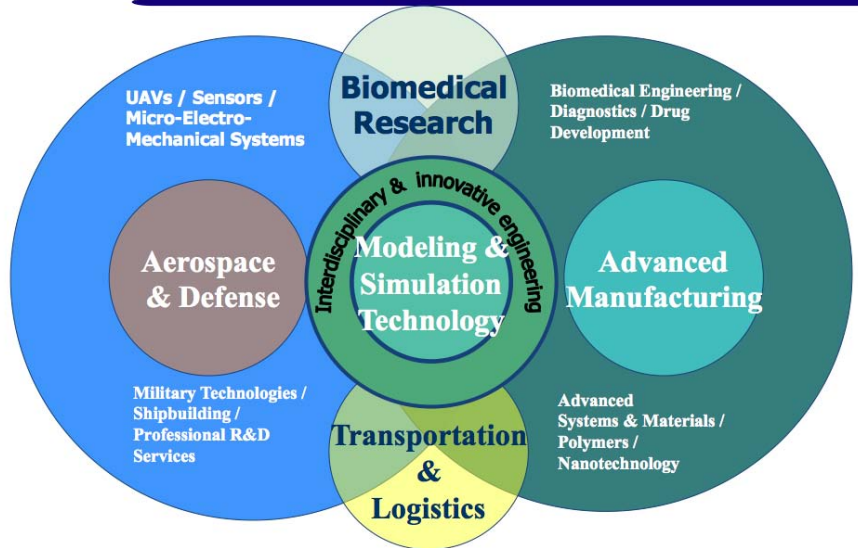
1. Advanced Niche Manufacturing: Industrial Design and Production of Products of 'One - specialized customer demanded products will increasingly be produced in small batches through digital design, and manufactured in 'clean factory shop-floors' that connect to 24x7 distribution and logistics systems. At the same time, as existing product generations pass warranty stages and manufacturers no longer support repairs, specialized global inventories will seek niche manufacturers.
2. Bioenergy, Wind, and Other Alternative Forms Applied to Public and Private Sector Infrastructure and Spaces – from LEED certified facilities and smart grids, the opportunity to produce an array of energy from localized sources will create co-generation scenarios at or adjacent to end-user spaces (manufacturing, production, housing, hospitality, waste and sewage plants, etc.), thereby shaping the role of energy in the economy and society.
3. Medical Devices in Response to Aging and Human Revitalization (Nutrition, Neural Sciences, Motion) – as goes the rural aging scenario of Iowa so goes the larger 'baby-boomer' population facing increased threat of stroke, Alzheimer's, and other related brain-function diseases that can be addressed through innovations in medical devices. Using Iowa's strengths in manufacturing, addressing the demands for prevention and wellness, and linking clinical trials to unique populations, there are several scenarios for turning the State into a national node of scientific devices for human revitalization.
4. Information-Engineering: Analytics, Artificial Intelligence, Robotics – the infusion of smart technologies into operations and maintenance of major corporate divisions and product development teams has been matched by the advances in information architecture and engineering. High through put computing, cloud storage, and just-in-time inventory are finding near-term demands for cost reduction and efficiency in a globally competitive marketplace whereby foreign imports and products constantly threaten the U.S. Coupling information-engineering with logistics and distribution strengthens the opportunities in advanced niche manufacturing and specific markets in alternative energy and medical devices.
5. 21st Century Global Consumers: Connecting Market Intelligence and Digital Technologies with Every-Day Challenges and New Delivery Systems - the on-going demand for



information has increased the need for more relevant use of “tools” that improve the outcomes from newly acquired knowledge and its application to every-day activities such as government regulation and fee payments, entrepreneurs and procurement by public and private sector buyers, commuters and transportation systems, teacher- student curricula and content development to name a few examples. These scenarios are not new; yet mobile/wireless platforms are changing the delivery and speed of adoption. And the adoption of such tools responds to demands for greater efficiency at lower costs to the consumer, patient, taxpayer, and/or citizen alike.

The Knowledge Economy – Clusters of Competency

These five unique Iowa clusters of knowledge leverage existing skills and investments, but also require a purposeful decision by the economic and workforce ‘communities of interest’ to determine if and how the State will compete in the years ahead. As an example, the State of Alabama determined that its core economic ‘competency’ (know-how) was Modeling and Simulation Technologies, impacting four traditional clusters of activity across private and public sector investments. By acknowledging its core competencies, states and regions build the communications and global ‘brand.’



If Iowa is to be a ‘go-to-location for future expansion or even consolidation of industry investment, there must be a sense of understanding and promoting its core competencies – the unique Iowan competitive advantage. While the Council is not nor should be seeking to choose where resources are applied by others, it could assist in shaping economic competitiveness by linking internal corporate market intelligence, long-range planning, and needs for labor and infrastructure with these trends and forecasts. Competitor states and nations have not picked ‘winners and losers,’ but have determined where the best returns on investment will result from targeted resource allocation by linking competencies, knowledge of markets, and product and service development to a stable business climate.

Our guidance based on best practices in the U.S. is to seek greater alliance between skills, competencies, and talent development with growth industries, sectors, clusters, and global competitiveness.

Goals and Recommendations: Addressing Challenges Through Benchmarking and Best Practices

Upon identifying where Iowa could compete (or at least participate in the global competitive economy through trends and forecasts that lead to the five Targets of Opportunity), Regionnovate conducted a set of scenario-setting exercises with the Deputies Working Group of the Council. We in turn conducted benchmarking of comparative market development and best practices from around the Nation, leading to a number of options examined and external rankings discussed so as to prioritize where time, resources, and the State’s business, academic and public leadership could have best results around no more than five goals.

<p>Work Around the Margins – lots of activity but little results, and nothing sticks for too long – with outcomes being less than effective, band-aids (third best)</p>	<p>Leap-Frog – a combined bold and risk-mitigated strategy on which to permanently transform the economic fortunes of companies, enterprises, and individuals for the next 20 years (<u>best</u> quadrant)</p>
<p>Status Quo – the minimum effort with the minimum results leading to inevitable decline into a debtor state (last place)</p>	<p>Slow Rebuild – incremental steps forward with measured performance, but not at a pace to keep up against the declines or threats of all anticipated national and global economic conditions (<u>second</u> best)</p>

Based on competitor states and regions across the U.S. and a handful abroad, the following goals were encouraged for further debate and discussion over the months ahead. *These goals could be the subject of an Iowa Blueprint (and Competitiveness) Forum and the work of Action Teams responding to the need for more alignment and coordination among interests.*

Goal No. 1 – Go To Location for Business Relocation, Expansion, Consolidation and Innovative Startups

Critical because Iowa must expand its business engines for employment and investment by communicating and branding the State as a location of choice

Potential Tactics: Targeted Sector Value Chain Recruitment; Leverage Clusters of Knowledge across Interdisciplinary Capabilities of Industry and University; Incentivize Early-Stage Capital Formation for Investment in New Products and Ideas– all new ways of approaching economic rebuilding and sustainability

What is Required: Encouraging the Governor-elect to transform state and regional economic development strategies and tactics by assessing the current State delivery of economic development while at the same time exploiting the work of the private and academic sectors in the Iowa Innovation Council’s vital efforts to date

Goal No. 2 – Globally Competitive Regionally focused Commercial Centers or Hubs of Economic Activity

Critical because concentrations of economic productivity are increasingly organized by regions not by individual counties nor cities

Potential Tactics: Create Regional Centers of Innovation and Competitiveness that combine all of Iowa’s counties and communities into seamless regional operating models

What is Required: Coordination of Executive and Legislative Branch with Chambers of Commerce, Academic Institutions, Industry Councils, and regional workforce and service delivery representatives to define proximate demands and needs into more efficient operating models

Goal No. 3 – A Diverse Workforce and Population with Global Industry Readiness as its Core

Critical because the more diverse a workforce and population, the more productive the outcomes, relationships, and networks:

How We Could Get There: Recruitment for Global Excellence; Build Partnerships with Targeted Population Home Countries; Increase Foreign Language Requirements;

What is Required: Linking the State’s workforce, economic, and education agency data and program planning units in an Iowa Jobs Cabinet

Goal No. 4 – Highly Regarded Efficiency in the Delivery of Government Administration, Services, Operations, Facilities, and Information

Critical because excessive government employment and spending on non-productive delivery waste precious resources, limits innovation, and ultimately devalues entrepreneurial behavior

How We Could Get There: Adopt Regional Planning and Shared Service Program Competitions for Public and Private Sector Partnerships

What is Required: formalize the Iowa LEAN Collaborative to include county and local governments through a Commission structure that holds annual competitions in key elements of governance, thereby receiving support through technical assistance and program resources towards long-term implementation from savings.

Goal No. 5 – A National Leader in Pre K-20 Education and Training – Focusing on Youth and Student Competitiveness

Critical because Iowa’s slow slide in critical STEM scores and graduation rates for college foretell an emerging gap in meeting the future demands for talent and workforce

How We Could Get There: Form the Iowa Skills Continuum among Education, Workforce, and Economic Development Agencies, Programs and Service Providers with a special emphasis on mentoring, tutoring, interning, and launching of capabilities, ideas, and knowledge

What is Required: Leverage the Iowa Business-Education Roundtable’s existing framework, as well as the current efforts the EPSCOR and STEM coalitions across the State

With these goals as milestones along the road to a competitive Iowa, the following recommendations for large-scale actions (or Big Ideas) could transform the economic competitive landscape for this and future generations of Iowans. By then linking these recommendations with specific Implementation Plans through the Action Teams as well as a report card, or competitiveness index, we believe the Council will have catalyzed breakthroughs in a number of challenges already identified throughout the Blueprint.

On the next three pages, we have outlined several critical challenges facing Iowa, made initial recommendations for consideration, and in turn have provided best practices from benchmarked states and regions. These are starting points for consideration by the Council’s membership and affiliated partners, institutions, and organizations.

Current Challenge

Recommendation

Benchmark Case Study

<p>Education: the ability of Iowa businesses to succeed in the competitive world marketplace depends on the constant upgrade of skills and knowledge of its workforce</p>	<p><i>Unite under a statewide banner on Pre-K through 20 by formalizing the Iowa Business-Education Roundtable in partnership with the Governor and Legislature</i></p>	<p>“Oregon Business Education Compact’ seeks to connect classroom and workforce with hands-on innovative learning experiences for students and teachers, while creating and leading working partnerships with business and education, as well as advocating for quality education in the State.</p>
<p>Health and Well-Being: a primary indicator of the well-being of a state is the health of its people by diminishing impacts from disease, illness, and long-term care effecting productivity and costs</p>	<p><i>Explore a more formal Employer-Employee Health and Wellness Campaign by supporting the work and implementation of the Iowa Wellness Council and the Health Care Collaborative</i></p>	<p>Healthier WY’ is a statewide wellness campaign in its third year focused on incentivizing members of the State Employee/Retirement funds along with similar government employees at the local levels to participate in discounts, rewards, contests, and online tools for reducing a nearly 300% jump in health care costs for public employees. Arizona’s First Things First campaign focused on early childhood health and education through cross-system coordination of federal, state, local roles and responsibilities with a public metrics report due each year.</p>
<p>Tomorrow’s Workforce: A growing, skilled, and culturally varied population enhances Iowa’s business case for growth and global competitiveness</p>	<p><i>Re-emphasize the recruitment, attraction, and retention of a new generation of Iowans for securing a talent pool around stable careers and economic opportunities</i></p>	<p>Minneapolis-St.Paul has hosted for twenty-two years its annual ‘Diversity and Inclusion Forum’ in partnership with national and state associations, and major corporate human resource and diversity officers in Minnesota. In turn, the Forum has sparked a statewide agency initiative for recruitment and attraction of diverse workforce talent.</p>
<p>Economic Growth & Opportunity: the collective input of industry and commerce along with the earning ability of the state’s workforce gauge Iowa’s overall vitality</p>	<p><i>Review the current model of statewide economic development delivery and improved coordination and collaboration across agencies, programs, regional interests, and most importantly data collection, business intelligence, and market competitiveness monitoring</i></p>	<p>Texas, Kentucky, Pennsylvania, Ohio have adopted regional centers (“RCICs, Centers of Excellence, Ben Franklin Centers, Edison Centers, respectively) of commercialization, innovation, and economic development by leveraging existing programs and operational infrastructure through competitive grants and contracts aligned with specific metrics of performance.</p>

	<p><i>Catalyze, in conjunction with the Innovation Council, the Iowa 'Community of Innovators and Global Knowledge Network' through a digital portal and resource toolkit by expanding the current IBC-sparked Entrepreneur Portal on the IDED website</i></p>	<p>Georgia, Utah, Arizona, and Washington State have created online databases of researchers, papers, patents, innovations, and resources for new products and services. New Zealand and Great Britain have sponsored, through national economic development organizations and the private sector global, networks of alumni, experienced executives from their respective countries, and over 22,000 and 7,800 respectively profiles of interest in corporate and market opportunities.</p>
<p>Infrastructure: Investment in transportation, energy, and technological infrastructure has far-reaching effects on Iowa's economy, competitiveness in the world marketplace, and the quality of life in our communities</p>	<p><i>Advocate for continuous improvement, upgrade, and coordination of public sector investment in Iowa's infrastructure tied to commercial centers, industry sectors, academia, and growth-oriented opportunities</i></p>	<p>North Carolina's 'Statewide Connectivity Strategy' is a comprehensive technology infrastructure road map created by the Office of the Governor and Controller, the university and community college systems, local government, and partnerships among local telephone and IT providers. Georgia's Statewide Energy Plan focuses on energy reliability, supply-demand, education, incentives, and economic development with annual tracking and specific statewide and regional metrics.</p>
<p>Fiscal Policy: Promoting accountability, efficiency, and long-term stability in State and Local finances and budgeting fosters a sound environment for economic growth</p>	<p><i>Restore the IBC-inspired LEAN Enterprise Office within the Governor's Department of Management, and leverage the current Iowa Lean Collaborative by expanding across state, county, and local public sector offices for ensuring efficiency and effectiveness of government spending, budgeting, and resource allocation</i></p>	<p>Indiana's MySmartGov.org represents several years of work by the Commission for Local Government Reform seeking among other objectives to reduce small scale service duplication, restructure school districts, and realign government operations. Similar endeavors can be found in New Jersey's Joint Legislative Committee on Government Consolidation and Shared Services (and its Local Unit Alignment, Reorganization, and Consolidation Commission), Ohio's Commission on Local Government Reform and Collaboration, and NY Local Government Efficiency and Competitiveness.</p>

<p><u>Government Operations and Services:</u> the administration of government systems enables commerce to operate and compete seamlessly and effectively across multiple programs and geographies, thereby minimizing delay and duplication</p>	<p><i>Assess and benchmark successful 'regionalism models' for workforce, economic development, and business service delivery to determine what has worked among commercial centers in other states and nations</i></p>	<p>California has led the Nation with its Economic Leadership Network formed by public-private partnerships in regionally-focused economic development, cluster and worker driven collaborations, and alignment of statewide infrastructure to cluster demands. In turn, the States of Georgia, North Carolina, Tennessee and Mississippi have instituted 'Rural Communities' initiatives to focus planning grants and implementation technical assistance on improving the economic futures of rural counties and cities. The work of these states has been driven by 'vitality index' reports on poverty, clusters, multi-jurisdictional savings, and mindset for cooperation across boundaries.</p>
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Next Steps: Priorities for Implementation

Historically, the Iowa Business Council has long held a strong belief in the future growth prospects of its State, people, and institutions. Each member firm and academic campus has made its commitment known for seeking all available pathways to a vibrant business climate, an innovation-based economy, and a world-class workforce able to compete on a global scale.

The ability to create sustainable personal and business income growth for Iowans is critical to the transformation of the overall economic engines of employment and current sectors, including those sectors that are dependent upon public resources (such as government operations).

In previous endeavors, the Council was encouraged to first and foremost turn to the private sector for taking action and completing implementation of recommendations. In our experience in over 100 engagements in the U.S. and abroad, we have not looked to the public sector or government for all the answers.

And yet we recognize that 'going it alone' does not build the sustainable foundation on which to successfully address challenges nor implement recommended actions. A decade ago, the Council identified challenges and gaps in the economic landscape that would limit competitiveness, and then sought the inclusion of and engagement with several non-Council entities and interests, including the Executive and Legislative branches. Yet, it looked to its own civic and corporate leadership to step forward initially.

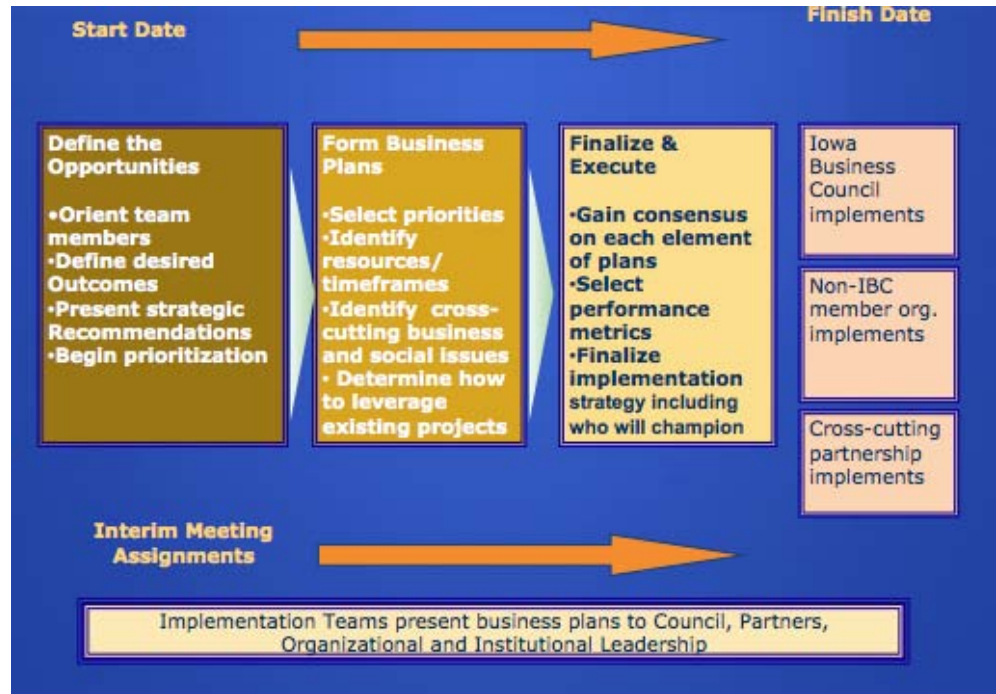
These eight recommendations include elements already being implemented at various stages of progress. Through a more formal process of facilitating expertise, leadership, and institutional know-how, we strongly encourage the Council to bring together disparate, often fragmented groups and initiatives for a **Blueprint Forum** to discuss these findings and spark a fast-paced planning process.

Iowa's Top Three Sectors Ranked by GDP (\$Billions)	
Manufacturing	\$28.2
Services	\$26.0
Government	\$15.8

Iowa's Top Three Sectors Ranked by Employment	
Services	691,393
Trade	300,354
Government	266,355

Source: U.S. Bureau of Economic Analysis

In the previous Framework for Action, a set of 'Hot Teams' was empowered to design immediate plans, metrics, and organize the champions and resources for execution so as to ensure progress. In this manner we believe driving results will have a greater chance by concurrence on the metrics and performance necessary among all interests by the Council's leadership through convening action-oriented teams and catalyzing accountability for performance. The adjacent schematic represents a Blueprint pathway forward.



Endnotes and Referenced Materials

I. Challenges

Demographic Challenge, page 3: Iowa Workforce Development, Iowa State Data Center, U.S. Census Bureau, Population Division, 2008-2010; Iowa Population Reports, Components of County Population Changes, 2000-2009

Economic Prosperity Challenge, page 3: Iowa Workforce Development, Iowa State Data Center, 2008-2009

Economic Prosperity Challenge, page 5: Iowa Workforce Development, Iowa State Data Center, 2010

College Graduation Challenge, page 7: Iowa Department of Education, U.S. Department of Education, National Assessment of Educational Progress annual survey, 2008-2009

College Graduation Challenge: page 7: Iowa Department of Education, U.S. Department of Education, National Assessment of Educational Progress annual survey, 2000-2009; ACT College and Career Readiness Report, 2009-2010

Fiscal Challenge, page 8: Outstanding Debt by Security Type, Entity, and Purpose for Iowa State and Local Government 2006-2009, Office of the State Treasurer, Reports Legislative Services Agency

Fiscal Challenge, page 8: Recovery.Gov (U.S.), State ARRA Expenditure Reports; State and Local Expenditure reports, Iowa Legislative Services Agency, Fiscal Services Division (2007-2010)

Economic Prosperity Challenge, page 9: Statewide Projections 2006-2016, Labor Market and Economic Research Bureau, Iowa Workforce Development; Iowa Manufacturing Report, Iowa State University Extension Program, April 2010.

Economic Prosperity Challenge, page 9: Statewide Projections 2006-2016, Labor Market and Economic Research Bureau, Iowa Workforce Development

Market Access Challenge, page 11: U.S. Census Bureau, Foreign Trade Division; Iowa State Data Center, Report on Top 25 Commodities Based on 2009 Dollar Value, 2009

Demographic Challenge, page 11: U.S. Census Bureau, Population Division; Iowa State Data Center, 2003-2010

Economic Centers Challenge, page 11: U.S. Census Bureau, Population Division; Iowa State Data Center, Report on Population Estimates and Numerical Changes for Iowa's Incorporated Places by County, 2000-2008

Pre K through 12 System Challenge, page 12: Iowa Department of Education; U.S. Department of Education, National Assessment of Educational Progress annual survey, 2008-2009

Fiscal Challenge, page 12: Surrounding State Tax Rate Comparison, Federation of Tax Administrators, Office of the State Treasurer

Governance Challenge, page 13: Legislative Services Agency, Fiscal Services Division; Iowa State Data Center; Iowa Workforce Department

Fiscal Challenge, page 13: Outstanding Debt reports (Office of the Treasurer); U.S. Census Bureau, Population Division reports; Iowa Workforce Department

Infrastructure Challenge, page 14: "Iowa Infrastructure Spending, FY 2010," Iowa Legislative Services Agency, Fiscal Services Division

Demographic Challenge, page 14: U.S. Census Bureau, Population Division; Iowa State Data Center, 2000-2009; Iowa State University Center for Industrial Research and Services

Economic Prosperity Challenge, page 15: U.S. Census Bureau, Foreign Trade Division; Iowa State Data Center, Agricultural Exports, 2000-2009

II. Charts & Graphics

"From Commitment to Action", page 4; reference: Framework for Action, 2001, Iowa Business Council Summit, Facilitation Guide ("Achieving Results"), Richard Seline, New Economy Strategies, LLC.

"Evolution of the Role of Economic Development Strategies," page 10; reference: *"Clusters of Knowledge and Competency,"* briefing paper, Richard Seline, New Economy Strategies, LLC. 2007

"Clusters and Competitiveness, Houston Oil and Gas Products and Services Cluster," page 15; reference: Harvard University, Institute for Strategy and Competitiveness, Dr. Michael Porter, *"Cluster Report for the Greater Houston Partnership, 1999"*

"Underpinnings of Regional Competitive Knowledge Models," page 16; reference: New Economy Strategies LLC., Richard Seline, 2008

"Collaboration Among Clusters," page 17; reference: Richard Seline, 2003

"The Knowledge Economy – Clusters of Competency," page 18; reference: *"Clusters of Knowledge and Competitiveness Road Map for the State of Alabama,"* Alabama Economic Development Partnership, 2005-2006, New Economy Strategies, LLC.

III. Additional Referenced Materials

Over 140 reports, white papers, analytical briefings, and data-set sources were reviewed by Regionnovate LLC for the production of the Blueprint. This source material included approximately 35 reports conducted at the national level inclusive of ranking and benchmarking Iowa to peer states regionally and nationally. At the outset of the engagement, Regionnovate reviewed the past five years of reports prepared by in-state institutions and organizations as well as items contracted by the Departments of Workforce and Economic Development. An internal web-based 'knowledge sharing space' was created for the Iowa Business Council Deputies and membership to review the entire collection of information used to form the basis of findings and recommendations in the Blueprint. Several matrices were generated to form the Challenges 'text boxes' and for purposes of space, only a fraction of the data-points were used herein. A copy of these matrices and overall collection highlights is posted on the Council's website for review.

APPENDIX

Intention and Impact for Measuring Performance and Accountability: A Competitiveness Index, Scorecard and/or Dashboard

The work of the Iowa Business Council in making its 'Case for Change' in 2001 signaled the interest in identifying a handful of challenges and opportunities on which the collective business community could have an impact. Through an exhaustive process of data analysis and assessment, the Council formed action teams around prioritized goals based on a day-long summit held at the University of Northern Iowa and attended by over 75 business, academic, entrepreneurial, and civic organization leaders. In reviewing its work from nearly a decade ago, Regionnovate has sought to determine if 'the needle has moved' on a number of critical indicators – and what remains to be done by the private sector, in partnership with the public sector and economic development interests, as well as what could be encouraged as possible action steps for mitigating negative trends and/or establishing new frameworks for leveraging Iowa's assets and advantages.

Clearly, an initial step for reviewing where Iowa has been and where it must go as a State, an economy, and as a global competitor for growth and prosperity requires measuring progress and performance. Some thirty other states and hundreds of regions and communities across the Nation have used an annual performance scorecard, report card, or index as a means of ensuring actions lead to results. Therefore, we are suggesting, through this draft outline of a 'Competitiveness Index' to shine light on successes as well as highlight where attention, leadership and investment remain.

Taking Action in Times of Turbulence

Since the beginning of the so-called 2007-2010 Great Recession, the instability of markets, economies, and government engagement marks a new time of turbulence for Iowa and the Nation. Such uncertainty often creates discussion and debate about more immediate issues, and leaves long-term problems for another day. However, Iowa has been a state in transition for nearly twenty years, and as many indicators suggest, Iowa is 'stuck in the middle' of the pack in certain measures that unless more attention is given to addressing these challenges, the more it could slip further behind. All the while, Iowa has received very positive attention in national media rankings – primarily focused on individual cities or communities rather than the entire breadth of the State. Such bad news-good news dynamics have been taken into account in the formation of the draft index outline.

Being Held Accountable for Immediate, Near-Time and Long-Range Results

By suggesting the creation of a Competitiveness Index, certain assumptions have been formed: not only would the Council seek to promote the concept that 'we act towards what we are measured', but that accountability is defined as taking the action and completing the implementation – even when no one is watching. Simply, the indicators and metrics found throughout the draft Index require a collaborative model for response and 'ownership' of the results among various entities, institutions, and organizations. At the same time, the Council is encouraged to involve other end-users of the Index to identify their roles, responsibilities, and results-oriented strategies to ensure that the State's competitiveness 'needle' does move in the appropriate direction.

Selection of Metrics, Indicators, and the Role of Rankings

A robust discussion and debate has been held among a working committee of the Council membership on the appropriate metrics and indicators to measure performance. We were, as could be expected, influenced at first by well over 30+ different rankings of Iowa by external sources. The consensus has been to observe these rankings, understand the methodology and analysis behind each ranking, and then to determine how Iowans seek to measure themselves and on which key elements.

Rankings provide an insight to how others perceive Iowa and its economy - and in observing these annual reports, magazine articles, and briefing materials – we find value in recognizing that external validation or even warning about the current direction should be a part of the consideration for action taken by end-users. However, a number of the rankings cause confusion when competing measures suggest that Iowa is ‘great, good, or bad’ across the same themes. For instance, a number of rankings suggest that Iowa is either a hospitable state or a very negative location for ‘Doing Business.’ After delving into the data and information used to form these rankings, we determined that it was best to identify metrics and indicators that – when standing alone – could provide insight as to the necessary direction of the ‘needle’ on Iowa’s current and future competitiveness.

Finally, the metrics and indicators selected for the draft Index require a comprehensive assessment of intended goals and progress for economic growth and prosperity. Assessing the themes across silos should be encouraged since Fiscal Policy and Education, or Governance and Economic Growth for example impact planning, operations, and investment by both private and public sectors.

How Other States Use Indicators, Metrics, Performance Measurement

Several of the Iowa Business Council’s peer organizations have directly or indirectly driven performance measurement at the state and regional economies for their members and partners. For example, one of the most extensive initiatives is in Oregon: “The Oregon Progress Board is an independent board created by the Legislature in 1990 to monitor the state's 20-year strategic vision, *Oregon Shines*, and keep it current. The 12 member panel, chaired by the Governor and made up of citizen leaders, reflects the state's social, ethnic and political diversity.” The Progress Board, recently defunded due to severe fiscal challenges in the State, has spawned several organizational partnerships to maintain the performance metrics system through the public sector as well as to engage in citizen-supported indicator reports and forums. Further, Oregon has continued to use a robust online dashboard (found at <http://benchmarks.oregon.gov/>) to engage the broadest interest for its economic and governance strategies. The long-term impact for Oregon and its regions has been cluster-focused economic developments supported by a constantly monitoring of the health of the State’s people, infrastructure, and business environment.

Similarly, the Michigan Turnaround Plan was driven by the business community seeking to prevent the State’s fiscal and employment challenges causing further damage to the long-term prospects of company growth and retention. An exhaustive assessment of the business-case issues facing the private sector was coupled with a number of metrics on the top critical factors negatively impacting employment as well as benchmarks against competitor states with similar profiles in manufacturing, operations, and innovation capacities. The Turnaround Plan is considered the pivotal document used during the 2010 election cycle, and has been broadly distributed to legislators, local elected officials, economic organizations and chambers of commerce. The Plan’s metrics are driving fiscal policy-making.

Useful Tips for Reviewing the Draft Competitiveness Index

Regionnovate suggests that an Iowa Index should present metrics as ‘Then’ (2001/2002) and ‘Now’ (2009/2010 or latest data availability). Projections for future years should be noted in descriptions of ‘Impact on Iowa’ since information on trends and forecasting can provide useful insights for near-term planning. By linking the past and current with future trends, the powerfulness of the action, response, solution created can be determined over a period of time. Many of the challenges found in the Blueprint cannot, of course, be changed overnight.

By assessing progress over a ten-year period, the Council and interested parties should take into account a number of ‘environmental’ scenarios that have impacted the Nation as a whole and Iowa specifically. For instance, while the current recession has devastated several mid-western regions and communities, Iowa has been resilient to significant drops in housing and real estate sectors. While no one could predict the unfortunate losses due to weather and flooding for many of Iowa’s cities and towns, current rebuilding offers unique opportunities to fix infrastructure and facilities with new technologies and systems as well as find boundary-crossing solutions for multiple communities affected by these disasters. And in doing such rebuilding, an opportunity exist to align outcomes and impacts with clear measures of how operations and infrastructure assist the business climate and competitiveness.

Other so-called ‘assessing impact through scenario setting’ for Iowa must include the results of the short-term funding of programs through the federal Recovery Act, national security or terrorists threats, and disruptive technologies and services that shift sometimes daily through innovation. Therefore, in using the Index, the uncertainty – the turbulence – of our times should provide perspective that these are mileposts for consideration rather than hard-and-fast ‘rules’ that cannot be adjusted over time. The indicators outlined on the following pages align with the findings, goals, recommendations noted in prior sections, providing aspirational end-points for measuring success or reminding Iowans of remaining work to be done.

One final perspective on a draft competitiveness index centers on the types of actions that are being measured. The tougher measurements are often those that seek to impact mindset, culture, transformation, and response to change. We know that measuring academic performance and related test results is a clear demonstration of progress in STEM instruction, however parental involvement in supporting graduation from high school, community college, or a four year university are vital to the prospects for addressing this challenge in Iowa.

We know that measuring the number of public sector employees at the state and local levels describes employment patterns in government services, and yet measuring the willingness and related incentives to find innovative means of program delivery signals adaptation to budget reductions. Simply, a competitiveness index can ‘keep score’ in certain ways but also requires measuring so-called soft-skills that are just as if not more important to the Blueprint goals. These alternative metrics require further discussion to ensure implementation of recommendations are sustainable well into the future based on accountability and purposeful decisions to change performance results.

Economic Growth & Opportunity Indices

Goal: The 'go to' location for business relocation, expansion, consolidation, and innovative startups

Metric: Overall Gross State Product

What Does It Mean: The accumulation of data on what drives an economy is comprised of several factors including employment, wages, investments, assets, and revenues/sales.

What is the Impact on Iowa: Our underpinning sector – Agriculture – has provided an important buffer for declines in other sectors. Yet, by concentrating on industry clusters as an economic development strategy, we have been able to attract and expand the Financial Services and Information Technology sectors. Such diversification is vital to long-term prospects.

Metric: Non-Agriculture Employment Growth

What Does It Mean: A portfolio of industries, firms, and businesses as well as non-profit, academic, and government employment secures an economy through the turbulent times. However, if the mix of sectors is not fully balanced or there is not enough growth in incomes, revenues, sales, then external forces can 'control' the fortunes of a state.

What is the Impact on Iowa: Through the work of the Innovation Council and the prior work of the Iowa Business Council around industry clusters, new opportunities for employment are being discovered. All the while opportunities for retrenchment of existing corporations from China and abroad back to the U.S. are on the rise. Making Iowa a location choice is now critical for future growth.

Metric: Manufacturing as a Percentage of Gross State Product

What Does It Mean: Manufacturing is a mainstay occupation for a growth-oriented economy, and as global competitive has led to the off shoring of these jobs, retention in Iowa becomes vital

What is the Impact on Iowa: Since agricultural occupations are often counted as a part of the manufacturing supply chain, without these jobs, Iowa's economy would have been harder hit in the recession. In turn, the lack of new manufacturing occupation opportunities signals challenges.

Metric: High-Tech Employment and Wages Per Population

What Does It Mean: With the transition of industry sectors and clusters towards more technology-intensive employment, any state that is lagging behind national or global trends could slip further

What is the Impact on Iowa: Unless the pipeline is created with more technically-skilled graduates and/or the attraction of new citizens with such skills, Iowa will not be considered as location for expansion, relocation, or even internal growth of future industries

Metric: Access to Investment Financing and Business Incubation

What Does It Mean: The attraction of external risk capital as well as that created among in-state groups coupled with services, facilities, and operations to support new enterprises is a competitive advantage

What is the Impact on Iowa: While academic R&D funding has risen, existing industries continue to innovate, and fiscal policies are in place, Iowa continues to lag behind in its capacity to launch new products, services, and technologies from entrepreneurs

Education Indices

Goal: A national leader in Pre K through 16 education, readiness, scientific application of lowans

Metric: Science, Math and Reading Scores – 4th versus 8th grade

What Does It Mean: Progress in retaining achievement for critical learning

What is the Impact on Iowa: With little or no movement over a ten-year period, Iowa has not achieved a standard of excellence required for competing on a global level

Metric: State Spending per Pupil

What Does It Mean: Year-to-Year investment in educational progress. Requires breakout of spending on infrastructure, personnel, materials, and other elements impacting scores, student retention, and long-term value of current instruction

What is the Impact on Iowa: Correlation between score indicators and expenditures often informs the progress of classroom instruction

Metric: Educational Attainment by Population Over 25

What Does It Mean: Significant drop-off from High School rates to the number of students continuing their education in a two- or four-year setting

What is the Impact on Iowa: There must be a concerted effort for informing, engaging, and encouraging parents and students towards obtaining college certification and degrees as a long-term economic value

Metric: Total Funding (including Research) on Higher Education Campuses

What Does It Mean: Through peer-reviewed grants, sponsored research programs, philanthropic gifts, and other funding mechanisms, universities provide the brainpower for the Knowledge Economy from faculty and students as well as regional engagement with the private sector

What is the Impact on Iowa: Such significant increases in funding – especially federal grants and contracts – to Iowa's institutions has assured a pipeline of ideas, technologies, and brains for commercialization and solving grand challenges facing lowans such as health and wellness, energy, and technology adaptation for older industries.

Demographics and Diversity Indices

Goal: The preferred destination for a diverse workforce and population with global industry marketability as its core

Metric: Net Migration to Iowa

What Does It Mean: Increases in population choosing the State as a place to live, learn, and earn indicate perception of opportunities found here rather than other locations

What is the Impact on Iowa: A low net migration in correlation to a low birth rate signals future challenges in workforce supply, potential increases in labor cost, and a less 'global' appreciation for cultures, languages, and markets

Metric: Age of Population by Demographic Group

What Does It Mean: Over the past ten years, Iowa has become a 'bar-bell' state – Younger on one-end, Older on the other – with average to below average growth in the middle

What is the Impact on Iowa: Cost of services for these two disparate age groups will only increase in health care, education, social service expenditures

Metric: Percentage of Students Learning a Foreign Language

What Does It Mean: As globalization of markets continues, those states and communities with programs focused on international learning including foreign language components tied to Asia, South America, and Europe are viewed as competitive

What is the Impact on Iowa: Given the number of domestic and global firms based in Iowa, the need for highly-skilled students with foreign language proficiency will directly impact the growth of markets, new product sales, and expansion of exported goods

Metric: Investment in Diversity Programs by Public and Private Sector Sources

What Does It Mean: Participation in diversity programs at the corporate and government levels assures the necessary actions are being taken to identify, provide for, and connect with populations across age, nationality, experience levels.

What is the Impact on Iowa: A number of Iowa corporations already have highly-regarded diversity initiatives tied to human resource officers and senior executives with responsibility for workforce and skills development. By acknowledging the level of resources committed to such programs gives credence to the value and sustainability of openness.

Health and Well-being Indices

Goal: One of the healthiest states and people in the Nation

Metric: Obesity Rate of Children Age 10-17

What Does It Mean: Predicator of long-term health challenges for future generations as less healthy citizens influence cost of Medicare, other public and private insurance, employment and productivity, and indirectly housing and transportation costs

What is the Impact on Iowa: With a corresponding young population comes the need to focus on long-term health and well being so as to prevent future illnesses and diseases in both urban and rural Iowa. Current hypertension, heart, and cancer related illnesses in older populations correspond to obesity rates of generations borne in the 1950s-1970s.

Metric: State Overall Health Expenditures Per Capita

What Does It Mean: The public expenditures on health care have jumped in some states nearly four fold according to the Pew Charitable Trust and the Robert Wood Johnson Foundation. Those locations with strategic health programs for prevention, immunization, awareness and training have also seen corresponding improvements and benefits to their citizenry including reductions in smoking, transmitted diseases, and obesity related illness.

What is the Impact on Iowa: Proportional increases in health expenditures without side-by-side recognition of immediate and long-term impacts, where such expenditures could be better targeted, and otherwise the lack of a future strategy against trends leaves Iowa vulnerable.

Metric: State Expenditures on Medicaid

What Does It Mean: Medicaid as a federal program for under-served populations requiring health and social services continues to increase across the Nation, and as such is putting increased pressure on state budgets

What is the Impact on Iowa: Based on the expansion of health care for all citizens, and the increase demand for certain coverage to younger as well as elderly citizens, Iowa is expected have 25% jump in Medicaid expenditures this year, and a steady increase of 15-18% annually thereafter

Metric: Percentage of Children Living in Poverty

What Does It Mean: With changes in demographics and economic opportunity, the number of children facing financial challenges at or below poverty foretells future demands on services in health care, education remediation, crime, and other public services.

What is the Impact on Iowa: Though the State has an unemployment rate below the national average, any increase will extend the impact on children living in poverty. Expanding employment opportunities for parents is a direct influence on reductions in poverty.

Metric: Percentage of Citizens Covered by Private Health Insurance

What Does It Mean: Availability and utilization of private health care insurance leads to healthier families, modernized services and facilities, and long-term well-being through preventative medicine, exercise, and related health benefits that lower costs over time

What is the Impact on Iowa: The offering of health-care benefits to employees and their families continues to be a positive aspect of human resource recruitment and attraction given the increases in health care costs.

Infrastructure and Transportation Indices

Goal: The home of globally competitive commercial centers leveraging Iowa's public infrastructure in transportation, energy, information, and research.

Metric: State Investment in Infrastructure as Percentage of Debt

What Does It Mean: On what areas of spending a state utilizes its debt – especially in new versus maintenance/repair of infrastructure and transportation - signals the modernization of key assets for competitiveness in the movement of goods, people, and ideas

What is the Impact on Iowa: Where the State determines to place its investment of debt as well as formula funded federal grants and contracts strengthens commercial centers of economic activity by the long-term needs for infrastructure. In turn, patterns of public sector infrastructure investment often impact general real estate, housing, education, retail/trade, and operation decision-making for site location.

Metric: Access to Airports/Airline Services for Business Travel Connections

What Does It Mean: As air travel becomes linked to increased domestic and international markets, a state needs airports that are well connected to airlines serving those emerging centers of commerce

What is the Impact on Iowa: the ability to prove to a shrinking number of airlines serving Iowa that it can sustain the demand for seats going to specific markets and regions is critical to both

Metric: Projected New Miles of Highway/Roads by Population Density

What Does It Mean: Where a state or region plans, constructs and maintains its infrastructure relative to population demand corresponds to the transportation needs of employees, employers, commuters, and education providers of the K-16 system as well as adult learners.

What is the Impact on Iowa: Forming a long-range planning process for transportation based on commercial centers and the growth along key corridors will impact financing of new highways and roads in concert with housing development, education institutions, warehousing, and retail demand.

Metric: Broadband Infrastructure and Utilization

What Does It Mean: Increased traffic on the Internet for business, education, government services, and civic networks responds to the needs of 24x7 economies, globalization, and the attraction/retention of students seeking robust digital communities

What is the Impact on Iowa: Based on Iowa's lag-time to deploy broadband networks, WIFI, and other information architectures designed to foster business-to-business, citizen-to-government, and community-to-community of interests puts the State behind the curve for technology adaptation and competitiveness.

Fiscal Policy Indices

Goal: A public sector grounded in, and annually compliant with, principles of sound budgeting, resource allocation, and impact on the competitive business climate

Metric: Budget Deficit as a Percent of Tax Revenue

What Does It Mean: The gap between revenues generated (through taxes, fees, other charges), and expenditures on services, infrastructure, debt payments signals the need for reductions in the imbalance by efficiency strategies, new revenue sources, alternative delivery models, and/or program elimination.

What is the Impact on Iowa: Though Iowa has a tax policy that covers a broad range of industries, businesses, and professional services, increases in Medicare and Local Expenditure Support exacerbate the resolution of the gap. And the end of short-term funding from the federal Recovery Act and Disaster Relief Programs provides additional concern.

Metric: State and Local Debt Levels

What Does It Mean: National trends show that County and Municipal Debt has risen over the past decade – often in locations where populations are in decline and revenue generation from the private sector has been reduced. Therefore, bond servicing and financing of local government is under increased scrutiny for default or renegotiations.

What is the Impact on Iowa: The value of increased debt service against marginal at best growth in revenue generation by local governments throughout Iowa is a warning sign on future state expenditures required to subsidize new growth in certain locations and steady declines in other communities.

Metric: State, Local Taxes Per Capita

What Does It Mean: The tax burden on citizens and businesses against their incomes and revenues indicates whether government expenditures are in alignment with sustainable resources on which to continue to tap for service delivery at the same historical levels.

What is the Impact on Iowa: State tax policy – including credits to spur investment and industry sector growth – are considered by some external assessments to be appropriate while other reports judge Iowa at the bottom for its tax climate.

Metric: Counties with Decline in Population AND Increase in Debt

What Does It Mean: Indicates the borrowing pattern of a local government to maintain service levels or respond to increased demands for certain services for a population that is declining in its capacity to produce

What is the Impact on Iowa: Productivity by agricultural sources in many counties remains the highest source of revenues as does transfer payments from federal and state programs directly to citizens. As noted in the Demographic and Diversity section, the correlation between population growth and fiscal policy are immutable and clear.

Government Operations and Services Indices

Goal: National ‘standard’ for efficient delivery of government administration, services, operations, facilities, and real-time information access for all citizens through the adoption of regionalism as a statewide strategy

Metric: State and Local Government, Full-Time Equivalence for 10,000 of Population

What Does It Mean: The amount of public sector employment as a percentage of Iowa’s population has evolved over the years - relative to private sector employment growth.

What is the Impact on Iowa: Where government employment hiring occurs by occupation indicates service levels, resource allocation strategies, and demand-trends – ultimately indicating where expenditures and revenues correlate

Metric: Number of State, Local and Other Forms of Government Per Population

What Does It Mean: Seen as being less competitiveness due to an abundant number of government operations with overlapping or common services including special districts, authorities, and similar entities increases the burden on citizens and business alike when filing out forms, responding to regulations and policies, and creating or expanding operations. In turn, as technologies become more accessible through cell-phones, computers, and other forms of information systems, said government services need to adapt to citizen and business requirements.

What is the Impact on Iowa: Opportunities for identifying and creating share –service centers among various forms of state, county, local government exist across the ninety-nine counties, seventy-seven with little or declining populations to serve.

Metric: Number of Designated State Operating Models for Delivery of Services

What Does It Mean: Several states have found that adopting regional models for delivery of economic and workforce programs, initiatives, and data-collection/data dissemination have responded more efficiently and effectively to potential relocations to their communities, synergy among employers working as clusters around occupations and centers of commerce.

What is the Impact on Iowa: Adopting a regionalism model in light of federal grants and contracts focused heavily on collaboration across multiple jurisdictions, as well as in response to larger concentrations of industry clusters and infrastructure across several counties will lead to more efficient use of resources.

Acknowledgements

The Iowa Business Council's Deputies along with the leadership of its Executive Director (Mr. Elliott Smith) have provided counsel, guidance, insight, and depth of substance to the process of examining the current and future economic competitiveness for their State. Over the course of the past nine months, through retreats and weekly conference calls, the Deputies Committee has continued to encourage an unvarnished assessment of progress and the needs for a more competitive Iowa, while at the same time remarkably representing their corporate self-interests sparingly.

Supportive of the overall CEO membership by representing the unwavering commitment to achieving clarity of purpose from the Blueprint has been the focus of the Council's Chairman, Mr. Tom Aller of Alliant Energy. His vision for a frank analysis of the State's business climate has been coupled with his concern for the prospects of employees and families throughout Iowa, including obviously future generations. Mr. Aller has been joined in providing counsel and guidance to Regionnovate through the generosity of time from Dr. Sally Mason (President of the University of Iowa) and Mr. Clay Jones (Chairman, President, CEO of Rockwell Collins).

The Council's website will host additional documentation from the Blueprint process, including hundreds of reports, articles, briefings, and similar materials that were collected to serve the Deputies, CEOs, and consultants in shaping the findings, scenarios, goals and recommendations found in prior sections.

About Regionnovate, LLC

Richard Seline served as the external consultant in 2001-2002 to the Iowa Business Council's Case for Change initiative and subsequently facilitated the statewide forum leading to the Framework for Action.

Richard Seline, former Deputy Assistant Secretary for Economic Development at the U.S. Department of Commerce, formed Regionnovate in the wake of New Economy Strategies LLC – his sixteen-year old global consulting firm. Regionnovate focuses on repurposing, rebuilding, and reinventing assets for increased competitiveness and innovation capacity at the entrepreneur, corporate, and regional economic levels. Richard has served as a consultant to over 100 engagements in the U.S. and abroad, including service to 30 Governors, 3 Cabinet Secretaries, and the heads of national corporate and non-profit institutions. He is an extensive writer, speaker, and presenter on the collaboration among academic, industry, government and philanthropy for measurable results and sustainable implementation. More on Richard and Regionnovate can be found at www.regionnovate.com and through social media on Facebook and LinkedIn.