

**e 9, 200MINUTES**

**Rhode Island Economic Policy Council**

**March 17, 2006**

**8:00am – 10:00am**

**EDS, Warwick, RI**

**Council Members in Attendance: Governor Donald Carcieri, Paul Choquette, Jr., Robert Carothers, Paul Cronin, Daniel Dwyer, Michael DiBiase, William Hatfield, Al Lubrano, Roger Mandle, Michael McMahon, Jack Partridge, David Rickard, Michael Ryan, and Gary Sasse.**

**Others Present: Kip Bergstrom, Beth Ashman Collins, Ariana McBride, Jennie Trimble, Kristina Catoia (Policy Council); Peter McWalters, Johan Uvin (RIDE); Jack Warner (Dept. of Higher Education); Ken Payne (RI Senate Policy Office); Carol Grant (City of Providence); Dan Martin (Raytheon); Jack Trifts (Bryant University); Jeff Seemann (URI, RI EPSCoR); Louis Soares (RIEDC); Robin Smith (CCRI); David Preston, Dyana Koelsch (New Harbor Group); David Crenshaw (PBN); Andrea Stape and photographer (Providence Journal).**

## **1. Welcome**

**Paul Choquette opened the meeting by thanking Dan Dwyer and EDS for hosting the Council meeting. Dwyer welcomed the Council and gave a brief overview of EDS. Choquette also welcomed CVS' David**

**Rickard to the Council.**

## **2. Council Member Survey Results**

**Choquette reviewed the results of the Council member survey, conducted by mail in January of 2006. The results spoke to members' preferences for meeting frequency and format, views on Council initiatives and Scorecards, Council membership and strategy. Key action items that will occur based on this survey include the creation of a nominating committee to provide guidance on future Council member selection and the use of the December 2006 meeting as a Council retreat for discussion/prioritization of initiatives.**

**In addition, Governor Carcieri proposed that the Council could host a retreat for General Assembly members to stimulate policy discussion.**

**This idea is based on the success of a similar effort led by North Carolina's Hunt Institute. This type of event could bring national, regional and local expertise together to discuss long-term policy issues, such as education. Ken Payne noted that there has been some practice of policy retreats at the General Assembly and that this kind of forward-thinking event is important because it helps build systems of collegiality. He volunteered to help with the planning of the retreat. Robert Carothers volunteered URI to host such an event.**

**There was a consensus among Council members to move forward on both the Council retreat and the General Assembly retreat.**

## **3. Education and Workforce Development Discussion**

**Choquette opened the discussion by highlighting the education and workforce issues discussed at previous Council meetings. He also noted the findings in the Council's 2006 Education and Workforce Development Scorecard, stressing that we need to make more progress. We are not seeing the improvement we would like to see in many of the measures, such as reading and math scores. Even those measures that are positive require continued improvement to the underlying programs, such as job retention measured by the Family Independence Program. Choquette emphasized that we need to take a serious look at how we approach education and workforce development and highlighted the Council's recent white paper, Meeting the Workforce Demands of the 21st Century Economy, which discusses underlying dynamics affecting education and workforce development and puts forth three catalytic interventions that would dramatically improve these systems. Choquette noted that the Council needs to discuss these issues and encouraged comments.**

**Governor Carcieri began by noting his concern with the National Assessment of Educational Process (NAEP) testing scores, which the Council tracks. Year-to-year changes in assessment benchmarks and a lack of well-defined standards for test issuance, make it a less than ideal tool for states to measure progress. RI, along with NH and VT, has transitioned to the use of the New England Common Assessment Program (NECAP), which has more clearly defined standards. The Governor added that by using NECAP, we can benchmark against other New England states and he would like to see others, such as**

## **MA and CT transition to this assessment.**

**Al Lubrano noted the difficulty that TMI has in finding workers with the necessary math and technical skills today. He stressed his belief that technology will be a key driver in the future success of firms and if our schools are not providing this training, our companies will be held back because of the steeper learning curve of its workforce. When questioned whether he sees problem-solving as a key skill set, Lubrano agreed that it is essential in manufacturing because you often encounter problems that are out of the ordinary. Typically, workers gain these skills through experience and it would be optimal if the education system could support this type of learning.**

**David Rickard noted that at any one time CVS has 100 unfilled positions, and that they are challenged to fill the employment needs they have. While CVS can fill store positions, the company has a hard time finding lower management jobs. Some in-house training occurs for these positions, but CVS does expect that workers will have certain basic skills.**

**Peter McWalters highlighted that the national conversation is focused on developing more rigorous curriculum, essentially more of the same but harder, whereas there is not enough emphasis on those skills applied to problem solving. We have to do both - provide students with greater access to challenging classes and help them “own” this work so that they can apply what they learn. Most**

**standardized tests examine what a student knows vs. what they can do. To help us with the application of knowledge, we need to revamp programs that are currently being cut, such as the arts and design.**

**Roger Mandle added that RISD's approach to education helps students develop understanding, not just knowledge, and that the design principles learned at RISD provide those problem-solving skills. Unfortunately this approach is out of favor in K-12 with the current focus on standards, but RISD is applying these principles through its partnership with Hope High School.**

**Paul Cronin noted the need for bilingual skills in the workforce that Cox Communications needs in order to serve clients in the state. He questioned the differences in demographic composition between RI and northern New England states, in terms of benchmarking test results. Governor Carcieri replied that the NECAP can "drill down" to compare similar school districts. He added that recent testing demonstrated that RI's suburban and rural schools were performing at levels at or above similar districts in other states but that our urban schools were underperforming. We have to figure out how to intervene in order to improve performance. The decentralization of our school system is one issue we face in tackling this challenge. RIDE is starting to put in place standards for all schools in terms of curriculum, which many schools are adopting. Another issue is the need to improve reading skills of our students and we need a healthy debate on how to do this effectively.**

**Jack Warner added we also need to look at lower income families, where attainment rates are about half of the overall average. Black and Latino progression rates are similar to these. He added that a recent report by the National Policy Institute for Higher Education speaks to the troubling projected decline in income if we do not improve the attainment in these populations. [Note – the findings of this report are highlighted in the Council’s workforce development white paper.]**

**Cronin added that in many cases, we are dealing with children who will be the first generation in their family to go to college and he questioned what we could do to help engage the parents of these children since for the most part all of our policies only look at the school environment. McWalters responded that historically public policy has not dealt with this issue well but that we are at a time where we need to engage the families of our students. He noted that RIDE is exploring the potential for building linkages between our adult education system and our primary/secondary education systems. The lack of infrastructure for this kind of effort is a challenge for which there are currently no resources.**

**Michael DiBiase noted that the attainment/testing numbers we have do not speak to whether the students have been in the same school system for all or part of their education and questioned the difference that this could make. McWalters replied that the children who are in**

**the Providence school system from 3rd to 10th grade had test results that were better than the national average. He cautioned that we not equate the Census-based attainment numbers with dropout rate, which it is not. Our dropout rate is declining in RI. Kip Bergstrom added that our overall attainment rate is lower because we are seeing a decrease in college educated population along with an increase in immigrant populations with lower levels of educational attainment.**

**McWalters stressed that if we are going to tackle the issues under discussion, we cannot remain in the 10-month, 8am to 3pm school-year box of our current system. Governor Carcieri added we need to look what we can apply from other models that are successful, such as parent contracts supporting the goals of their child's learning, which is required by many charter schools.**

**Carothers noted that most students drop out of college for economic reasons and that we have to address this cost factor. In RI, we are seeing tuition increases and state operating funding decreases. This is a problem throughout New England, but RI is even farther behind. Carcieri agreed with this problem, citing the difficulties of the current budget process in maintaining support for higher education given needs of other programs such as K-12 education and human services. Michael Ryan emphasized that, while the state has stepped up capital support for higher education, if we do not provided more operating support, the best students from RI and beyond will make the choice to go elsewhere. Warner noted that in 1980, when we**

**began to see the devolution in federal and state support for higher education, lower income students were four times less likely to get a college degree than other students. Today, they are ten times less likely. Another study, which tracked student performance over a 12-year period, found that 76% of higher income students had a degree vs. 36% of lower income students.**

**Choquette added that if we consider the pressures of today's global economy, we should be investing more not less in education and we have a responsibility to address this national issue. Others noted nations that have made significant progress in their education systems, such as Ireland and Singapore. Mandle questioned the Governor as to where we are going to get the resources to improve the system, given that the budget is a 0-sum game. Carcieri answered that we need to lower the rate of growth in other programs and ensure we have the K-12 system on track at which point we can address higher education more thoroughly. Lubrano added that we should look at successful models from other places to see if they could work in RI. He noted that in China, every family sees education as the way for their children to have a better life whereas that is not the case in the US anymore. He said that our businesses have a real stake in the success of our education system and added that he would be willing to support an effort to make the changes necessary.**

**Choquette answered that financial resources are not the only way to**

support this effort. Business can also create more internships so that students are able to develop applied learning skills. Dan Martin concurred with Choquette – that internships provide a mentored learning opportunity in addition to providing students with pay to help offset other education costs. When questioned about the types of students Raytheon employs in internships, Martin replied that their interns are predominantly college students. Choquette noted that at Gilbane, internships are almost a pre-requisite to full-time employment.

Michael McMahon made several observations related to the overall conversation. First, that if we look at a place such as Ireland, we will see that its leaders made the decision to make improvements beginning at Grade 1 in the first year of a 15-year plan, essentially letting go of those students that were older. This was the difficult choice they had to make given available resources. Second, when we look at those states that are considered the top states in terms of economic development they are also the top states in public education – these two issues are strongly linked. Third, our current model of education, developed in Chelsea, MA in 1885, is over 100 years old and is not structured to deal with the dynamics of our world today. If we are to make real improvement in education, we need to stop pointing fingers about the past, stop making excuses about the challenges we face, and accept that no more resources will be available to make the change necessary. He added that we need to rethink how we are measuring success; that while it may be difficult

to do, we need to try to get at metrics beyond attainment and assessment to metrics such as self-confidence, self-sufficiency, community engagement, and job satisfaction. We also need to address the dramatic differences between our urban and rural schools. To improve our education system we must put the student at the center vs. the system, recognize that one size does not fit all and that we will need to experiment with what works (which means occasionally failing), use technology to engage students in learning as well as to measure progress, empower and respect our educators and expect them to be accountable, change the physical structure of schools by shifting from large schools to small schools in order to encourage an atmosphere of respect and community, and give choices to students and their parents, such as more magnet schools.

Gary Sasse added that in the past ten years, while he has seen improvement in the overall transparency of the system, he has seen no real progress in other areas. We need to see more effective use of our resources and we need an investment strategy that refocuses on the key elements necessary for positive change.

Choquette noted that the role of the Council is not to be the be-all and end-all for education and workforce development, but that we need to focus on those areas that we can make a critical difference. He reminded Council members that they can participate in the Education Sub-committee, which will be examining these issues further.

**Partridge added that the Council could play a role in helping to articulate the goals that our many education partners could work towards collectively. Carcieri concurred, adding that the Council needs to be a goal-setter with sound policy backing those goals.**

#### **4. Places Initiatives**

**Beth Ashman Collins presented background on the Council's quality of place initiative as well as discussed the status of three of the places initiatives, emphasizing our desire to engage Council members in them. (Presentation available at [www.ripolicy.org](http://www.ripolicy.org)). Collins discussed the importance of place as a competitive advantage for RI in today's competition for global, mobile talent and stressed the Council's important role in helping people understand the larger region as well as tackle some of the cross-disciplinary issues related to place. The Council's current place initiatives are focused in the Blackstone Valley, CT-RI Borderlands, and the Southside of Providence.**

**Collins also discussed the next quality of place scorecard, which will be called the Community Innovation Scorecard. She noted the difficulty in measuring place and discussed some of the different measures we could use to complement our current ones. She closed by highlighting some of the key place-related issues in the state right now, such as the historic mill tax credit and water supply.**

**The Governor has indicated he wants to limit the annual size of the**

historic investment tax credit. There is unanimity about the effectiveness and importance of the credit. The EDC has put forth the idea of establishing ranking criteria such as green building practices, public access, etc. to make sure the highest value projects continue to receive the credit.

The Policy Council is now a partner in the Water Security Coalition a group primarily of environmental advocates pressing for an integrated water management, supply and use policy for RI. The Council's participation will help shape the coalition by keeping economic goals front and center. Beth emphasized that absent outside pressure to take decisive action state leaders will likely offer incomplete or delayed leadership on water management.

Following the presentation, Carcieri commented that we know that we have an attractive place and that the challenge is to figure out how to have development while not losing this value. He noted the competition among municipalities for business development in order to offset residential tax burdens, as our cities and towns are heavily reliant on property tax. Carcieri emphasized the need for innovative thinking in this area and questioned what other states are doing to deal with this issue. He highlighted RI's participation in the Governor's Institute on Design as a pilot project in community design, in which we are looking at a number of community design questions such as transit.

**McMahon added that this conversation comes back to the idea of innovation at scale, which can tie into smart growth tools such as transit-oriented development. We need to think about links (e.g. how we are connected to Boston), loops (how we move people around locally), and legs (walkability). Collins added one Council role could be to make this expertise on design real at the local level, engaging citizens to advocate for the communities and places they want to see created or sustained.**

**Choquette distributed a summary piece on the New England Futures Project, which examines many of these issues at the regional scale, noting their pertinence to RI. Carcieri closed the discussion by informing the Council that RI would be hosting the New England Governor's Conference in May, which will focus on many of these issues including transportation and energy.**

## **5. Meeting Conclusion**

**Choquette thanked Council members for their attendance and their continued commitment to the Council. The next meeting will be Jun6 from 8:00 to 10:00am.**