

NORTHWEST ARKANSAS COUNCIL
ANNUAL REPORT
2016-2017

NO. 5 BEST FREE MUSEUM

Reader's Daily Digest

AMERICA'S 10 BEST MTB TOWNS

SingleTracks

"MUST-PLAN TRIP"

Vogue

25 BEST TOWNS OF 2017

Outside Magazine

BEST PLACES TO LIVE

U.S. News & World Report



July 12, 2017

Members and friends,

Welcome to the 2016-2017 Annual Meeting of the Northwest Arkansas Council.

One of my responsibilities as presiding co-chair is to assess how our region and organization have advanced in the past year, and I'm encouraged by what's being accomplished.

Our organization is among the region's leaders in advancing workforce development, and we're working with companies on talent acquisition in a big way. Our region's companies are more and more engaged with local school districts and our colleges and universities as we go about building a workforce for the future. The schools — all of them, no exceptions — are willing partners and many have started new programs intended to enhance job skills.

What occurs at Brightwater where students learn about the culinary arts is certainly part of the better workforce training that's occurring in Northwest Arkansas. We're also engaged with our region's healthcare community, doing what we can to ensure that our hospitals are excellent and that they have the talent needed to provide high-quality care.

I'll mention one other aspect of our work: infrastructure. Our members and Council staff remain vigilant in their work with partners to protect water quality, to recruit airlines to the Northwest Arkansas Regional Airport, to identify funding for highways and roads, and to assist our region's public transportation providers in achieving their expanding goals. Infrastructure remains an important part of the work we accomplish each day.

We are at an important point in our organization's history, as we'll have new leadership for the first time since 2006. Nelson Peacock starts work this month as the Council's president and CEO, and I'm certain he'll want to become acquainted with each of our members in the coming weeks. We're excited about the talent he brings to our organization.

Last, the 2016-2017 Annual Report addresses workforce development, talent acquisition, infrastructure and a few other topics. As always, the Annual Report is yours to take back to your office for more information on topics that will be discussed today.

I've been honored to serve as presiding co-chair of the Northwest Arkansas Council over this past year. I am excited to see how Northwest Arkansas advances in the coming years.

Thank you.

Donnie Smith

2016-2017 EXECUTIVE COMMITTEE



Joseph E. Steinmetz

POSITION	OFFICER
Presiding Co-Chair (2016-2017)	Donnie Smith
Presiding Co-Chair (2017-2018)	Joseph E. Steinmetz
Presiding Co-Chair (2018-2019)	Nick Hobbs
Presiding Co-Chair (2015-2016)	Jim Walton
Presiding Co-Chair (2014-2015)	Rosalind Brewer
Presiding Co-Chair (2013-2014)	Mark Simmons
Vice Chair	Scott Van Laningham
Secretary, Treasurer	Sara Lilygren
Chair Emeritus	Alice Walton
Chamber of Commerce Representative	Raymond Burns
Co-Chair Appointee	Mindy Sherwood
Co-Chair Appointee	Lisa Ray
Nominating Committee Representative	Carl George
Nominating Committee Representative	Evelyn Jorgenson
Nominating Committee Representative	Marshall Saviers



Donnie Smith

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Jay Allen
Ramsay Ball
Dick Barclay
Susan Barrett
Rick Barrows
Neff Basore
Fadil Bayyari
Steven Beam
Clinton Bennett
Rod Bigelow
Bill Bradley
Clete Brewer
Rosalind Brewer
Tim Broughton
John Brown III
Frank Broyles
Raymond Burns
Wayne Callahan
Ed Choate
Aaron Clark
Sarah Clark
Steve Clark
Ed Clifford
Justin Cole
Sarah Collins
John Cooper III
Dana Davis
Rich Davis
Tommy Deweese

Marcy Doderer
Mike Dodge
Lee DuChanois
John Elrod
Danny Ferguson
Greg Fogle
Cathy Foraker
Alan Fortenberry
Ed Fryar
Troy Galloway
Carl George
Charles George
Darin Gray
Stan Green
Mary Ann Greenwood
Tom Hayes
D. Scott Hancock
Gary Head
Dan Hendrix
Jessica Hendrix
Nick Hobbs
Tom Hopper
Brock Hoskins
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Walter Hussman
Mitchell Johnson
Robert Jones III
Evelyn Jorgenson
James Keenan

Bob King
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Randy Laney
Randy Lawson
Brandon LeFevre
Todd Lewis
Jim Lindsey
Jeff Long
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Bill Mathews
David Matthews
Wayne Mays
Warren McDonald
Pearl McElfish
Tim McFarland
Jeff Milford
Mike Moss
Sharif Omar
Becky Paneitz
Neal Pendergraft
Gene Pharr
Buddy Philpot
Eric Pianalto
Chip Pollard
Lisa Ray
John Roberts
Adam Rutledge
Reynie Rutledge

Maggie Sans
Nick Santoleri
Marshall Saviers
Archie Schaffer III
Charles Scharlau
Anita Scism
Lee Scott
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Todd Simmons
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Donnie Smith
Jim Smith
Steve Stafford
Joseph Steinmetz
Philip Taldo
Kirk Thompson
Walter Turnbow
John Tyson
David Van Bebber
Scott Van Laningham
Jerry Vest
Matt Waller
Alice Walton
Jim Walton
Rob Walton
Perry Webb
John White
Charles Zimmerman
Randy Zook

FRED VORSANGER

The Northwest Arkansas Council lost a long-time member who was key to the construction of the University of Arkansas

Fred Vorsanger was a long-time vice president of business at the University of Arkansas who came out of retirement to manage Bud Walton Arena for another 15 years. He was 88 when he died on January 12.

Vorsanger came to the University of Arkansas in 1968 at a time when the university needed a problem solver and long-term planner in the financial realm. During his tenure as chief financial officer, Vorsanger provided guidance in the construction of the Arkansas Union, Kimpel Hall, Mullins Library, Pomfret Hall, the Business Building, Billingsley Music Building, Bell Engineering and several other buildings.

In 1980, Vorsanger was appointed to the Board of Trustees of the Common Fund, an investment pool comprised of colleges and universities across the nation.

In the 1980s, he helped start the University of Arkansas Foundation serving as its first director. He was granted a year-long duty assignment to direct the foundation and serve as president of the National Association of College University Business Officers.

After his official retirement in 1988, Vorsanger was elected to the Fayetteville Board of Directors and later served as mayor.

In 1992, athletic director Frank Broyles asked Vorsanger to come back to the university and manage the construction and operation of Bud Walton Arena.

Vorsanger attended Indiana University and found an interest in accounting, a field of work that led him to jobs at Ernst & Ernst, Purdue University and the American Council on Education in Washington, D.C.

In D.C., Vorsanger earned a master's degree in business administration from George Washington University. In 1968, he began looking for a job outside Washington. President David Mullins wanted him to come to the University of Arkansas, but Vorsanger was considering a job at the University of Oklahoma. En route to Oklahoma, though, he stopped in Fayetteville. He stayed.

Vorsanger ultimately became the chief financial officer for the University of Arkansas System. Vorsanger provided his expertise



Fred Vorsanger

to many local boards. In 1998, the Arkansas Alumni honored him by naming him an honorary alumnus.

He served on the university's steering committee for the Campaign for the Twenty-First Century, chairing the North Arkansas region.

After his second retirement, Vorsanger was hired for one last "job." The Fayetteville Chamber of Commerce hired him for \$1 per year to be its senior staff adviser.

"Fred was our font of wisdom," said Steve Clark, the chamber's president. "What he did for us was immeasurable."



Cyclists travel from across the U.S. to compete in the Joe Martin Stage Race, which is held in Fayetteville each year. The series of races over four days is an excellent example of the varied, unique events held in Northwest Arkansas. It involved more than 230 teams this year.

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MEMBER DUES YIELD HIGH RETURN ON INVESTMENT

Northwest Arkansas receives about \$252 in value for every \$1 paid in annual membership dues, an annual calculation shows.

The unique, return-on-investment calculation by the Northwest Arkansas Council staff is a way to look at the relationship between the membership fees paid over 27 years by the organization's members and the combined federal, state and private grants received for Northwest Arkansas projects. The list is limited to grants in which the Council played some role in obtaining.

Huge grants in the 1990s dramatically drove up the calculated value of every \$1 paid in membership dues. Those grants, which the Council played a role in pursuing, helped pay for such projects as the Northwest Arkansas Regional Airport, the Benton-Washington Regional Public Water Authority and major highway improvements.

PEACOCK ASSUMES ROLE AS COUNCIL PRESIDENT & CEO

An Arkansas native returns from California to take over in July as the Council's new leader

The Council has hired only three people to hold the top position in its 27 years and the first two held the job at least 10 years apiece.

Peacock takes over as the Northwest Arkansas Council's president and CEO in July 2017. Nick Hobbs and other members of a Northwest Arkansas Council search committee announced Peacock's hiring at a press conference in June.

Peacock grew up in McCrory and earned degrees at the University of Arkansas and University of Arkansas School of Law. He brings a track record of political, government relations and management experience to the Council.

Peacock is moving back to Arkansas from California where he serves as a senior vice president for the University of California Office of the President. In the role, he oversaw all aspects of state and federal governmental relations for the \$32.5 billion University of California system, which includes 10 UC campuses, five academic medical centers and three national laboratories.

Prior to his move to California three years ago, Peacock was appointed by President Barack Obama to lead the Office of Legislative Affairs for the U.S. Department of Homeland Security (DHS). In this role, he was responsible for all aspects of the department's interactions with Congress on issues related to counter terrorism, immigration, cyber security and natural disasters. Peacock oversaw the congressional teams of seven operational agencies of DHS, including the United States Coast Guard, U.S.

Customs and Border Protection, the U.S. Secret Service, Transportation Security Administration and the Federal Emergency Management Administration.

Peacock also served as senior counsel to Senator Joe Biden on the Judiciary Committee of the United States Senate where he advised the future Vice President on homeland security, crime and intellectual property issues.

Peacock succeeds both Uvalde Lindsey and Mike Malone. They were recognized for their excellence in collaboration on regional and state-wide levels.

Peacock's hiring came after a Northwest Arkansas Council search committee spent nine months reviewing resumes and interviewing candidates from across the U.S.

Hobbs served as the chairman of the search committee. Other search committee members included Laura Jacobs, Marshall Saviers, Lisa Ray, Scott Van Laningham, Todd Simmons and Raymond Burns.

"We wanted someone with political acumen, who'd been around the legislative process quite a bit," Hobbs told Talk Business & Politics after a June 13 press conference where Peacock's hiring was announced. "We also wanted someone who had led large teams and someone, ultimately, who would be passionate about Arkansas."

Lindsey, who is currently a state senator, led the Council from its founding in 1990 until 2005. Walmart founder Sam Walton as well as Don Tyson, John Tyson, J.B. Hunt, Mark Simmons and a group



Nelson Peacock

of 30 other business leaders convinced him to lead the new organization.

Fayetteville native Mike Malone, who was the Council's president and CEO from 2006-2016, was lured back to Northwest Arkansas after working for President Clinton's administration. Malone resigned last fall to become Northwest Arkansas coordinator for Runway Group, LLC in Bentonville.

Peacock has a Bachelor of Arts and Juris Doctorate from the University of Arkansas and Masters of Arts from the George Washington University School of Law.

Peacock is married with two young daughters.



**SURVEY:
EMPLOYERS ANTICIPATE
3,621 NEW HIRES**

Theresa Rasco, an employee of Delta Group Electronics in Fayetteville, helps with the manufacturing of circuit boards to be used in electronic equipment. While Northwest Arkansas is best known as the home of Walmart and Tyson Foods, thousands of companies across the region contribute to Northwest Arkansas' overall economic success.

A Northwest Arkansas survey showed employers plan to hire more workers over the next three years than in any of four previous annual inquiries.

The 477 employers participating in the most recent Employer Retention and Expansion (ERE) survey expect to hire 3,621 workers over the next three years. It's considered a good economic sign when employers expect to hire more people in future years.

The regional survey, a collaboration between the Northwest Arkansas Council and five Northwest Arkansas chambers of commerce, has been conducted five times. The previous high for the number of new jobs over three years was the 3,161 reported in the 2015 survey.

Other key findings:

- Employers expect to spend \$503 million on expansions in the next three years. That's up from \$336 million in 2015.
- 27 percent of employers plan to expand within three years. That figure was 25 percent in 2015.
- The positive business climate was the top Northwest Arkansas strength identified by PRIME employers, the compa-

nies that manufacture, distribute and operate headquarters in the region. Business climate has remained the most commonly identified strength since the survey's inception.

- 57 of the survey's 210 PRIME employers listed skilled worker supply as a community weakness.
- Commercial, Retail, Tourism and Service (CRTS) companies, which include restaurants, banks and retail stores, listed Northwest Arkansas' stable economy as the top strength.
- 54 percent of PRIME employers reported job-recruiting problems.

The ERE survey allows outreach specialists from Bentonville, Fayetteville, Rogers-Lowell, Siloam Springs, and Springdale chambers of commerce to conduct confidential interviews with employers. Some employers participating in the survey are the same each year, but many are new. The Northwest Arkansas Council coordinates the survey and compiles the findings. The responses during the interviews often lead to the Council and the chambers of commerce taking steps to assist companies with challenges they face.

For example, the Fayetteville Chamber of Commerce worked with a landowner after an ERE visit in 2015 and convinced him to construct a spec building, something that's in short supply. With the building under construction in 2016, the chamber helped find a tenant, providing room to expand for a Fayetteville company.

"The chambers of commerce in Northwest Arkansas are excellent when it comes to introducing companies to find solutions," said Mike Harvey, the Council's chief operating officer. "The ERE visits have allowed the chambers of commerce to acquire a deeper knowledge of what companies need and the challenges they face, and the chambers are experts on the resources available in their communities."

ERE visits played a key role in the Northwest Arkansas Council's decision to work with educators and ask them to expand workforce training. Community colleges and universities, Northwest Technical Institute and high schools in Benton and Washington counties are doing more to meet those workforce needs than they were just two or three years ago, Harvey said.

FINDING NWA WORKS TO SHARE REGION'S ATTRIBUTES

Program does its part to help recruiters build a strong workforce

The Northwest Arkansas Council wants to continue increasing its interaction with corporate job recruiters, assisting them as they ask long-distance job recruits to relocate to the region.

Established in mid-2016, the Finding NWA initiative is a multi-part program geared toward talent relocation, attraction and retention, and it's increasingly being utilized by corporate recruiters across Northwest Arkansas as they look for new, better information to share about why working in Northwest Arkansas makes so much sense.

Why Northwest Arkansas? That's the question Finding NWA aims to answer for people who live elsewhere. Finding NWA, or @find-ingnwa on social media, is one-part digital footprint. The second part of the initiative is the Council's close work with corporate recruiters when they need information and updates with an overall focus about how and why Northwest Arkansas is becoming more attractive to talent.

The Council continues to give informational instruction to human resource and recruitment teams that are interested in amping up their regional awareness and knowledge. In the past year, calls from corporate recruiting specialists have been consistently increasing, and the formal presentations have been in front of groups as small as 10 and as large as 200.

Northwest Arkansas currently competes for talent with cities with a size and scale extending far beyond the metropolitan areas used as Northwest Arkansas' peer regions. When it comes to talent



Anna Clark of the Northwest Arkansas Council met with a group of university career advisers from across the U.S. on May 19, talking about quality of life and what it's like for young professionals to live in the region. The advisers were invited to Northwest Arkansas by Walmart.

recruitment, the Chicago and San Francisco metropolitan areas are often the competition.

A recruiter in Northwest Arkansas reached out to Finding NWA earlier this year in frustration, asking why the hiring process has become increasingly challenging.

Reviewing the data pointed to one conclusion - an exceedingly low unemployment rate (2.1 percent in April 2017). Winning in workforce relocation is necessary for maintaining a robust field of talent.

The Council staff has had many conversations about the challenges and complexity of recruitment that requires a relocation to Northwest Arkansas. The Council hears a choir of frustrated voices across the region, stressing the challenge regional HR and recruitment teams face. They consistently echo one another, often saying "If we can get a candidate here to see Northwest Arkansas, they'll sign."

DataRank research, which was commissioned by the Council in 2016, revealed not much was known about Northwest Arkansas in the

largest metropolitan areas. National research by New York-based DCI suggests the most important factors when evaluating a career opportunity are the salary, work-life balance, and company benefits.

What Northwest Arkansas can offer its residents has increasingly factored into companies' ability to win in talent attraction. Soon to claim the largest share of American workforce, millennials put a premium on experience over consumption. DCI suggests cost of living, housing cost and availability, outdoor recreation amenities, school quality, and arts and cultural amenities play important roles in the decision to relocate.

A new phase of Finding NWA will focus on talent retention. Velocity Group of Northwest Arkansas is creating a tool that will allow users to sift through regional groups on social media based on their personal interests. Giving newcomers more community connections should help them transition to seeing Northwest Arkansas as a potential permanent home rather than a career that will ultimately continue elsewhere.

IMPROVED HIGHWAYS, LOW FARES REMAIN PRIORITIES

Northwest Arkansas Council continues to lead on most important regional projects

Finding ways to improve the region's infrastructure remains a top priority for the Northwest Arkansas Council staff and its members, and that commitment hasn't waived since the organization was established 27 years ago.

The Council's work on infrastructure today accounts for about 25 percent of staff time, and the organization's members often invest their own time by volunteering on committees focused on making infrastructure better in Northwest Arkansas.

Their time is invested communicating with the Arkansas Highway and Transportation Department, the congressional delegation and local leaders about highway and public transportation needs; helping the Northwest Arkansas Regional Airport with its dogged pursuit of daily low-cost air service to combat high fares; and ensuring that Northwest Arkansas water quality is protected without jeopardizing business and population growth.

Additionally, some infrastructure work steps outside the box of what's traditionally been on the Council's plate of priorities. The best recent example of that was the Council's work with the Northwest Arkansas Regional Planning Commission and Burns & McDonnell on the region's first infrastructure inventory and assessment.



Flowers are abundant along a \$53 million section of the Bella Vista Bypass that opened earlier this year. Despite the highway's location between fast-growing Bentonville and Bella Vista, the drive has a less urban feel.

Summary of the Council's infrastructure work since mid-2016.

Infrastructure Inventory

The Regional Planning Commission hired Burns & McDonnell in March 2016 to complete the infrastructure inventory and assessment. The work was wrapped up in early 2017.

The full-color, 70-page report includes summaries, maps and statistical information about the Northwest Arkansas highways, city streets, bus systems, railroads, airports, bike-pedestrian trails, public and private schools, hospitals, ambulances, police and fire departments, energy providers, telecommunications systems, drinking water, wastewater providers, the landfill, recycling programs and trash-hauling companies.

The engineering firm provided the Council with hundreds of Geographic Information System (GIS) maps, files, documents and summaries about the region's infrastructure.

As part of its work, Burns & McDonnell made a series of recommendations about how to improve on the information that was collected from more than 110 state agencies, local governments and private companies.

The Infrastructure Inventory and Assessment is considered to be a first step toward completing a 25-year infrastructure capacity plan. The capacity plan is one of the goals identified in the Council's most

recent three-year strategic plan.

Highway Funding

The Council remains engaged with the Highway Department, state legislators and the congressional delegation in finding ways to pay for the next big-ticket highway projects.

The passage of the statewide half-cent sales tax in 2012 continues to benefit the region by funding most of the larger projects in Northwest Arkansas. Those sales tax-funded projects include the U.S. 412 Bypass section that's under construction near Lowell, various Interstate 49 widening projects and key sections of the Bella Vista Bypass in Arkansas.



(At left) Construction crews widening Interstate 49 to six lanes from Lowell to Rogers should be done with their portion of a larger project in late 2017. The work is part of widening I-49 to six lanes from Fayetteville to Bentonville. (At right) Aaron Thomason and Sandi Formica of the Watershed Conservation Resource Center describe the White River stream-bank restoration project completed to the east of Fayetteville's Drake Field.



Yet, there remain key highway-related tasks to accomplish and the Council has worked to bring partners together to accomplish those goals.

The goals include encouraging Missouri officials to fund its portion of the Bella Vista Bypass, identifying funding for other sections of the U.S. 412 Bypass and determining the best way to pay for the more than \$100 million needed to widen Arkansas Highway 112 from Bentonville to Fayetteville.

The Council worked with the region's largest employers and its members to create a 2017 Northwest Arkansas Legislative Agenda and one of its 22 priorities was to support an effort to refer a highway-funding ballot measure to voters to raise at least \$500 million annually for highway maintenance and expansion.

State legislators, however, were not willing to go to voters with such a proposal. Instead, they voted down

a bill put forward by State Rep. Dan Douglas to apply the state sales tax to fuel when purchased at the wholesale level. If it had also been approved by voters, it would have raised about \$200 million each year. The Highway commission is interested in seeing an organization gather enough signatures to put a highway funding measure on the ballot in 2018.

Public Transportation

The Council played a role in assisting Ozark Regional Transit officials when its leadership first expressed a desire to provide routes that were important to the region's business community.

Those routes were established in 2015, and they continue to operate. The Council's Infrastructure Work Group established a transit subcommittee that's led by Troy Galloway, Bentonville's community development director. One of the subcommittee goals was to complete a transit development study,

but that study has been delayed by the Northwest Arkansas Regional Planning Commission until the last half of 2017.

What has advanced is the region's conversation around bus rapid transit, a faster way to move commuters by giving buses tools that help them move in traffic congestion faster than they normally would. Ozark Regional Transit received funding to hire KFH Group to review existing bus service and demographics as well as determine whether bus rapid transit can be established on U.S. Highway 71B from south Fayetteville to Bentonville.

Water Quality

Among the most challenging of the Council's infrastructure-related goals is protecting water quality because it's success relies heavily on cooperation between the U.S. Environmental Protection Agency, two states and dozens of counties, cities and private businesses.

loops between education and training assets in the region and industry — will set a strong foundation."

Educators and businesses are making remarkable progress by matching the training in schools with available jobs in Northwest Arkansas.

Among the most recent examples was the opening of Springdale Har-Ber High School's mechanical lab, which was dedicated in April. The lab provides the school with dedicated space for about 200 students each year to learn about plumbing, electricity, cabinet making and construction.

"I've got Advanced Placement kids, lower level kids and kids who are going to be engineers who want to know about the skilled trades," said Stowe Hoffius, a Har-Ber construction management teacher. "If you take the kid I have now versus 10 years ago, it's not even the same type of kid. We've made strides. The big thing is what are you as a school doing with your graduates. Do we need to do more with more of them? Absolutely."

Other schools are making their own career education advancements. Gravette has focused on welding, heating, and air programs, and now has a partnership with NTI in Springdale. Farmington schools have developed their own partnership with NTI.

In February, trustees at NorthWest Arkansas Community College gave college leaders permission to begin the design phase of an integrated design laboratory for workforce, communication and fine arts students. When the facility opens, the workforce students can earn National Center for Construction Education and Research certification to supplement associate degrees.

In January, the community college opened Brightwater, a culinary school. Brightwater students can earn nine technical certifications and associate's degrees in four areas. The degrees and certifications are ensuring that the region's restaurants, breweries and hotels have the talent they need.

Meanwhile, high schools with long established career education programs continue to expand. The Pea Ridge Manufacturing and Business Academy wrapped up its third year in the spring and 161 students were enrolled. The areas of study include fabrication, healthcare, marketing and logistics, industrial technology, and multimedia occupations.

One of the biggest expansions is in Bentonville where the Ignite program started two years ago as a 15-student pilot focused on information technology. Ignite this fall will include 200 students exploring information technology, construction professions, digital media, digital design/photography and healthcare.

"A key component is to help them on a path," said Teresa Hudson, the Ignite professional studies director. "Many leave with certifications,

but 100 percent of them are career ready."

Some of the most significant advancements in terms of workforce development this year were legislative. The Northwest Arkansas Council played a key role by working with area companies and schools to identify changes needed to advance workforce training across Arkansas.

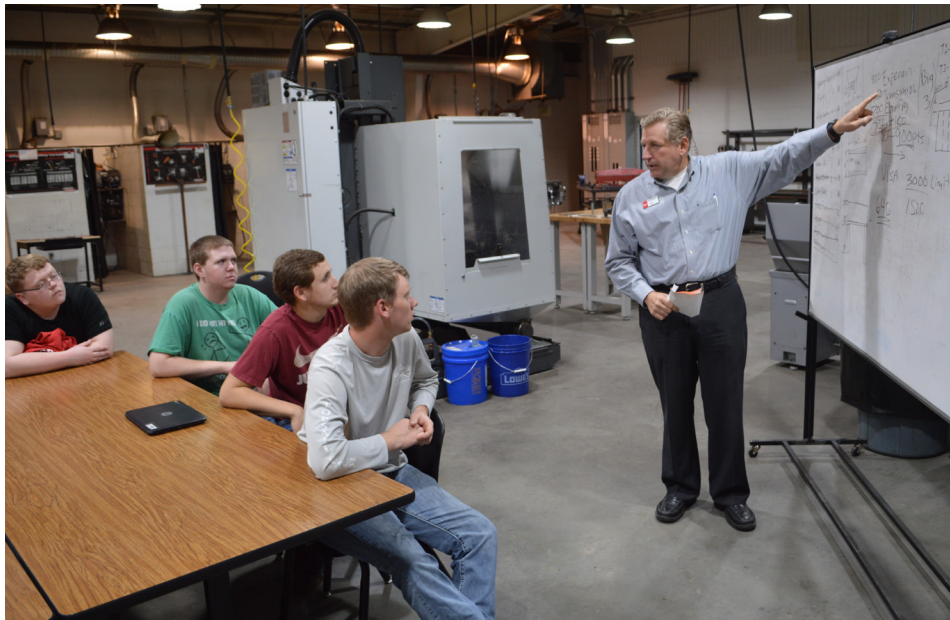
Among the most important was a new law that allows school districts to create a regional career center. Bentonville, Decatur, Gentry and Gravette schools are eager to work together and created the Western Benton Career Consortium. They continue to talk about creating a regional center.

"By working together and sharing resources, we are giving students more opportunities," Hudson said.

Other legislative steps that will benefit workforce training include new laws that allow lottery scholarship funds to go to students in job-focused training programs, and state lawmakers created a task force to ensure that school training programs are aligned with workforce needs.



Har-Ber High School senior Parker Stover was among the students who guided community leaders on a tour of the school's new mechanical laboratory. A dedication ceremony was held April 21. Stover is headed to Pittsburg State University in the fall.



Students in Pea Ridge Manufacturing and Business Academy's industrial technology and engineering program build such things as playground equipment to learn workforce skills. PRMBA was among the region's first conversion charter schools focused on workforce training.



SCHOOLS STAY AGILE, ADJUST TO WORKFORCE NEEDS

Legislation creates path for Benton County schools to work together on regional career center

The progress made in Northwest Arkansas over the past year toward making the region better at preparing students for careers and college success is nothing short of amazing.

The region's 16 public high schools, NorthWest Arkansas Community College and Northwest Technical Institute are expanding programs and creating partnerships to address companies' need for skilled labor, and the University of Arkansas earlier this year hired the school's first director of innovative career education.

"I can't think of any of our 16 schools that aren't focused on expanding career and technical education and providing students with more training toward receiving a certificate," said Charles Cudney, director of the Northwest Arkansas Education Service Cooperative in Farmington. "The students and the school districts are thinking about jobs after college and about going to college with a career in mind."

Indeed, the accomplishments over the past 12 months have advanced workforce development in Northwest Arkansas in a big way.

The Northwest Arkansas Council, company representatives and chambers of commerce worked with state legislators to gain passage of new laws that will make the establishment of stronger workforce development programs possible.

The three-year strategic plan unveiled in early 2015 by the Northwest Arkansas Council includes workforce-related goals. The most prominent is to "lead the transition to a best-of-class, demand-driven workforce model to increase the supply of appropriately skilled labor."

That goal is being pursued, in part, because two business surveys, including the annual Employer Retention and Expansion survey, showed companies need skilled workers to expand their operations.

Educators and businesses continue to be engaged with the Council for Adult and Experiential learning (CAEL), a nonprofit organization hired by the Northwest Arkansas Council to help implement a regional workforce plan. CAEL's work in the region started in 2016 and CAEL remains engaged with the Council, schools and companies. The Council has shared information with school districts about which skills are most needed and served as a catalyst in assisting school districts as they establish or expand workforce programs.

"I have definitely seen progress over the past year and a half, and the needle is moving," said Jade Arn, a CAEL senior consultant. "For many, this is a new orientation and change takes both time and effort."

"This work is never really done because needs are ever-changing. However, putting in place structures, processes and partnerships — particularly those that create efficient and continuous feedback

The Council's role when it comes to water quality is often that of a monitor and coordinator, serving as the eyes and ears of Northwest Arkansas companies interested in doing what's scientifically necessary to protect water quality without having a negative impact on the region's long-term growth.

Among the important projects completed in the past year was the two-state Joint Study Committee that recommended Oklahoma adjust water quality standards for the Illinois River watershed.

The recommendation in December came after Baylor University researcher Ryan King completed a stressor response study, a 2½-year project that determined how to protect the Illinois River and other Oklahoma scenic rivers from excessive phosphorus. In streams, phosphorus can deplete oxygen and degrade water quality. The Council is now working with the two states to ensure that the findings are incorporated into Oklahoma water quality regulations.

Wayfinding

The Council staff worked with the Northwest Arkansas Regional Airport, allowing it to become part of the regional wayfinding system that was established in seven cities four years ago.

Signs in the cities of Highfill, Cave Springs, Gentry, Siloam Springs, Bentonville, Rogers, Lowell and Fayetteville will guide motorists to the airport. There are also signs on airport property and across the region to guide motorists from XNA to the cities.

The wayfinding project, funded by the airport and the Walton Family Foundation, is expected to be complete this summer.

Low-Cost Carrier

The Northwest Arkansas Council, the region's leading employers and Northwest Arkansas Regional Airport administrators remain determined to bring additional air service to XNA, and the focus is on attracting a low-cost carrier willing to operate a daily schedule.

There were certainly some air service enhancements at XNA over the past year, including American Airlines' addition of nonstop service to Ronald Reagan Washington National Airport and twice-a-day trips by Delta Air Lines to New York LaGuardia.

Yet, neither of those additions has impacted the airport's high fare challenge as XNA remains one of the nation's most lucrative places for airlines. The \$509 average roundtrip fare paid by XNA passengers in 2016 was \$159 above the national average. That means the 669,487 passengers departing from XNA paid a combined \$106.4 million above the national average.

"That \$106 million figure is eye-popping, and it's why the

Northwest Arkansas Council sees the recruitment of a low-cost carrier as one of its most important goals," said Rob Smith, the Council's communications and policy director. "So many factors go into creating a partnership between XNA and an airline. Are planes available? Are there enough pilot hours available to expand? How does XNA fit into the low-cost carrier's overall goals? It all matters, and much of it is outside XNA's control."

The Council has already started to convey to Northwest Arkansas businesses and residents that convincing a low-cost carrier to provide service is half the battle. The other half is ensuring the low-cost carrier's success at XNA.

"There must be a massive shift from our current way of traveling, and it has to be collective," Smith said. "So many people in Northwest Arkansas are elite members of frequent flier programs and they receive perks when they use the legacy carriers, but they'll have to join everyone else in choosing to fly the low-cost carrier. It's use it or lose it."



Springdale Mayor Doug Sprouse talks with Northwest Arkansas Council member Philip Taldo at a Springdale barber shop after Taldo was sworn in as a member of the Arkansas Highway Commission. Two of the five highway commissioners live in Northwest Arkansas.



(Above) Music at Wilson Park in Fayetteville was one of the many Artosphere events in the region.

(Far right) A Fayetteville resident stands in front of “Sol D’oro,” a glass sculpture that’s part of the Dale Chihuly exhibit at Crystal Bridges Museum of American Art in Bentonville.



(Right) A new section of the Razorback Regional Greenway runs past a lake at Village on the Creeks in Rogers.



PEER REGIONS DEMONSTRATE WHAT’S POSSIBLE IN NWA

Northwest Arkansas becomes a region to emulate for Kansas metropolitan area

Researchers consider the successes accomplished elsewhere to be a measuring stick for what’s possible in Northwest Arkansas.

There are comparisons in the annual State of the Northwest Arkansas Region Report published by the University of Arkansas Center for Business and Economic Research, the Northwest Arkansas Education Report Card published by UA’s Office for Education Policy and in strategic plans of the Northwest Arkansas Council. The comparisons matter because Northwest Arkansas competes against every region to attract global talent.

Ted Abernathy of Economic Leadership, the firm that helped the Council create its Greater Northwest Arkansas Development Strategy 2015-2017, said comparisons of education, commuting times, and homeownership costs allow regions to easily identify where they shine and where they fall short.

“The value of benchmarking is that it provides a valid set of information to measure a place’s aspirations,” Abernathy said. “Benchmarking allows your leaders to see both the factors that they need to invest resources in to improve the region’s competitive position and also the factors where you are great that should form the foundation of your marketing strategy.”

In the five-year strategic plan published by the Northwest Arkansas Council in 2011, Main Street Services of Atlanta measured the region’s infrastructure, workforce characteristics, quality of life and demographics with three peer regions: Gainesville, Fla.; Huntsville, Ala.; and Lexington, Ky. Austin, Texas was identified as an aspirational place in the plan.

With that five-year strategic plan as guidance, the first State of the Northwest Arkansas Region Report published in late 2011 compared the region to Gainesville, Huntsville,

Lexington and Austin. The comparison communities were modified in 2012 to include nearby regions that were known to compete for corporate relocations and expansions with Northwest Arkansas. Huntsville remained on the list, but Tulsa, Kansas City, Omaha, Neb., and Knoxville, Tenn., replaced Lexington and Gainesville.

A new group of comparative communities were identified in the Northwest Arkansas Council’s three-year strategy made public in 2015. The new places were Des Moines, Iowa; Madison, Wisc.; Raleigh, N.C.; Durham-Chapel Hill, N.C.; and Austin. Abernathy described the group as “contemporary high-performing regions.”

Mervin Jebaraj, the interim director of the Center for Business and Economic Research at the University of Arkansas, said peer and aspirational communities are valuable in that they bring out a competitive nature. Individuals want their town to keep

up or do better than other communities, he said.

“We’ve changed the peer regions a little bit over the years, and we’ve always had a decent mix of places that look just like us and places we’d like to be,” Jebaraj said. “You pick them because you want to be better in the future than you are now.”

Kansas looks to NWA

Sometimes, it’s aspects of Northwest Arkansas that others aspire to replicate. That was the case last September when 52 people from a Kansas region rolled into town. Lyle Butler, the president and CEO of the Manhattan Area Chamber of Commerce, said Manhattan leaders identified Northwest Arkansas as a place with a major university surrounded by communities that work together. They were interested in Ozark Regional Transit, the Northwest Arkansas Council and in taking on challenges with regional approaches. The group visited Crystal Bridges Museum of American Art, Botanical Gardens of the Ozarks, the Fayetteville Public Library and the Arkansas Research and Technology Park.

“One of the key things we wanted to see is how Northwest Arkansas has taken communities and the region and branded it successfully,” Butler said. “We started off in Fayetteville at the chamber of commerce and for about three hours we were there, and we were just amazed. No one ever mentioned Fayetteville. Everyone talked about Northwest Arkansas. That’s something we aspire to do.”

Butler was impressed, and he hopes the Kansas cities of Manhattan,

Junction City, Wamego and their smaller neighbors can work together to identify an excellent regional name and brand and work toward common goals. It’s a work in progress, he said.

Complex Comparisons

Regional comparisons and benchmarking can be much more complex than what’s being utilized in Northwest Arkansas, though. The Metro Raleigh Comparison, published by the Wake County Economic Development organization, measures that region against 30 other metropolitan areas, using

I rarely recommend that a place should aspire to be like another, but if your infrastructure or talent attraction, or entrepreneurial dynamism is measured and falls short, a good economic development organization must know they are short and develop ways to improve.”

-Ted Abernathy

175 metrics. Those 175 categories include such things as the quality of roads, the concentration of high-tech industries, spending on education, employment growth rate, projected population growth and the amount of violent crime.

Comparisons change depending on the goals, said Gary Ritter, a UA professor of education and public policy who oversees the publication of the annual education report card.

Certainly, it’s possible to review the

annual education report card’s statistics about Northwest Arkansas school districts and see strengths and weaknesses by comparing the districts, but there are steps taken to measure against school districts in Chicago, Cincinnati and more distant places.

Chicago was selected because Tyson Foods often recruits talent from that region. Cincinnati is the headquarters of Procter & Gamble and many of the company’s home office workers will transition at some point in their careers to the large satellite office in Fayetteville, Ritter said. Including Chicago and Cincinnati makes it easier for the employee who is recruited to Northwest Arkansas to understand how Arkansas schools compare to those they may already know well. Districts in Des Moines, Kansas City and Raleigh were included, too.

“The choice of benchmarks has a lot to do with objectives,” Ritter said. “We might want to know if our schools are doing better or worse than expected. But, if the purpose is to show whether we are sufficiently attractive to potential employees, the benchmark changes.”

In other instances, comparisons are selected to help understand the statistics and demonstrate if a number is good or bad when compared to other places. For instance, the poverty rate in Northwest Arkansas was 14.3 percent in 2015, but that number tells more when a person also knows the poverty rate in Des Moines, Austin and Chapel-Hill.

“It’s just trying to lend meaning to these numbers and one of the best ways to do that is to put it in context,” Ritter said.