

ENDOW is just the beginning

Local officials on statewide council say focus is on the future

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Diversifying Wyoming's economy has been a talking point for local and statewide lawmakers for decades.

Last April, Gov. Matt Mead appointed 25 people to the executive council of the Economically Needed Diversity Options for Wyoming (ENDOW), an initiative whose goal is to ensure that Wyoming has a diverse, sustainable economy in 20 years.

Among those appointed were state Sen. Michael Von Flatern, R-Gillette, and Campbell County Commission Chairman Mark Christensen.

ENDOW has a competitive atmosphere, Christensen said, because everybody "is used to being top dog."

"There's not really much following in that group," he said. "Everybody states their opinion, and I think that's good."

In addition to being competitive, the atmosphere also is positive, Von Flatern said. The group understands that the task at hand can't be solved in one or two years.

Christensen said it could be 10 or 12 years before Wyoming starts to see results from ENDOW, adding that "what ENDOW is doing now should have been done 20 years ago."

"The task is monumental," Christensen said. "The good thing about big personalities is big personalities are willing to take on big tasks."

Diversification won't happen quickly, and it won't be cheap either. At the end of 2017, ENDOW released its first official report with a detailed list of what the Legislature should spend money on, asking the state for \$56 million.

The money will go toward "attracting new businesses and growing existing businesses," Von Flatern said, as well as preparing Wyoming's workforce for the industries of the future.

The \$56 million includes \$15 million for expanding commercial air service in Wyoming, \$10.3 million to improve access to broadband internet, \$6 million to establish a research and innovation fund and \$5 million for a state capital access program.

"My thought right from the beginning was that this is not going to be an inexpensive paper exercise," Von Flatern said. "If it's going to be real, it's going to cost the state money. The state's going to have to belly up to the bar."

The initial reaction has been good, Christensen said.

"The leadership in the House and Senate are like, 'We need to move forward on this,'" he said. "They didn't object at all to the \$56 million request. That says quite a bit."

Von Flatern said that it was important to the ENDOW board to match requests with existing bills that lawmakers will consider during the legislative session. What the legislators decide to do in February and March could have a big impact on the future of ENDOW and Wyoming, Christensen said.

"If the legislature comes back and does the majority of what ENDOW has recommended, funds that \$56 million, then that will be validation that we're going to move forward and do something big," he said. "If they don't, then ENDOW is going to be like a lot of other plans that never went anywhere."

One thing that sticks out in Von Flatern's mind about the meetings is how many times a sentence was started by, "With our low population ..."

"That was repeated over and over, and it's understandably our biggest liability," he said. "We're never going to get the next Amazon headquarters. But what we can do is work on training our workforce and making Wyoming a more desirable place for a company to come work in."

Recommendations included making computer science education more accessible and increasing the number of people getting some kind of education after high school.

ENDOW set a goal that by 2025, 67 percent of Wyoming's working population ages 25 to 64 has some sort of post-secondary education.

For comparison, Colorado and Utah want to get to 66 percent by 2025. And these states are already at a higher level than Wyoming, which is at the national average of 45.8 percent.

"It's going to be a really heavy lift. Insane," Christensen said. "We can do it, but it's going to mean everybody's going to have to step up."

Commercial air service

At the top of ENDOW's list was expanding and improving air service.

"There is no way forward without air service in Wyoming," Christensen said.

Von Flatern recalled the story of how Kennecott Energy moved its business, industrial and office workers to Campbell County.

But after a while, the company realized that sending its marketing team all over the country from Gillette became way too expensive. It later moved the whole team down to Denver where flights were cheaper, more accessible and frequent.

“They took the 25 people in the marketing department, all with high-end homes and six-figure salaries, and moved them to Denver,” he said. “You can’t attract businesses if you tell them to fly here and then drive another two hours to your city.”

Jackson, Casper and Gillette are the only communities in Wyoming that aren’t in danger of losing air service, the report says. For the state’s economy to move forward, it needs to make sure cities like Riverton and Sheridan are guaranteed air service in the future.

Von Flatern is co-sponsoring a bill for commercial air service improvement. If it passes, a council will be formed to contract with an airline to provide up to three daily flights to Denver from communities around Wyoming as part of a 10-year agreement.

Workforce development

Wyoming’s workforce is the state’s greatest roadblock in the path to diversification, but it also is its greatest strength:

“I think we do have a fairly trained workforce, but not (the workforce) of the future,” Von Flatern said. “We don’t have the techies or the people who can write code. A lot of that is received by getting a certificate and community colleges are where it’s at. That will satisfy those big companies.”

The report recommends providing more opportunities for students to learn computer science, but it also recognizes that the state also needs to help unconventional college students, those who might be going back to school to upgrade their skills.

“That’s critical. Wyoming has never talked about that,” Christensen said. “We have the Hathaway program, which is insanely awesome, but it’s only open to people who just graduated from high school.”

The creation of Startup:Wyoming, a capital access program, would provide entrepreneurs with seed money for their startup ideas. Wyoming is one of four states that doesn't have such a program.

Another recommendation is that the state start a research and innovation fund. Wyoming is one of the few states that doesn't have one of these, and misses out because of it, Christensen said.

"It's crazy. If we had matching funds available, then we open up these huge pots of federal money for science and engineering," he said.

ENDOW's goal is to get \$100 million in federal science and engineering funds by 2022. This might sound like a lot of money, but Christensen said Colorado does \$3 billion a year in this program.

Challenges

Another report is due to the state Legislature on Aug. 1 that will include a 20-year comprehensive economic diversification strategy based on the recommendations in ENDOW's report.

The biggest challenges ENDOW will face in the coming months are identifying the industries it wants to focus on and designating certain areas around the state as Business Development and Innovation Zones.

Von Flatern said ENDOW would consider the communities' workforces and separate each Innovation Zone by what kind of workers live there.

Money from the Wyoming Business Council will be directly tied to those designations, and some communities are going to be left out, Christensen said.

"It's not effective if you have 99 of them. There's going to be seven or eight, and that's going to be hard," he said.

Christensen said he believes the communities will compete for these designations, similar to what cities around the country are doing now to be selected as the home of Amazon's second headquarters.

Just because a city receives a designation doesn't mean it can sit back and watch the money roll in, Christensen said.

"Getting a designation isn't a blank check from the state," he said. "You're going to have to match this money. You're going to have to commit local resources to it as well."

The upcoming general election also will have some effects on ENDOW. In November, Wyoming will select a new governor, who may or may not support the initiative the way Mead did.

Unlike previous attempts at economic development, which died as the state switched governors, ENDOW is written into state law, so a new governor can't simply decide to shut it down. And whoever is elected to that position would be wise to support the initiative, Christensen said.

"Everybody wants to make sure they're on the right side of this historically," he said.

"Because when people look back in a decade, you don't want to be the one who was in charge while Wyoming's economy went to hell and our unemployment rate soared.

"And unless we do something, that's going to happen."