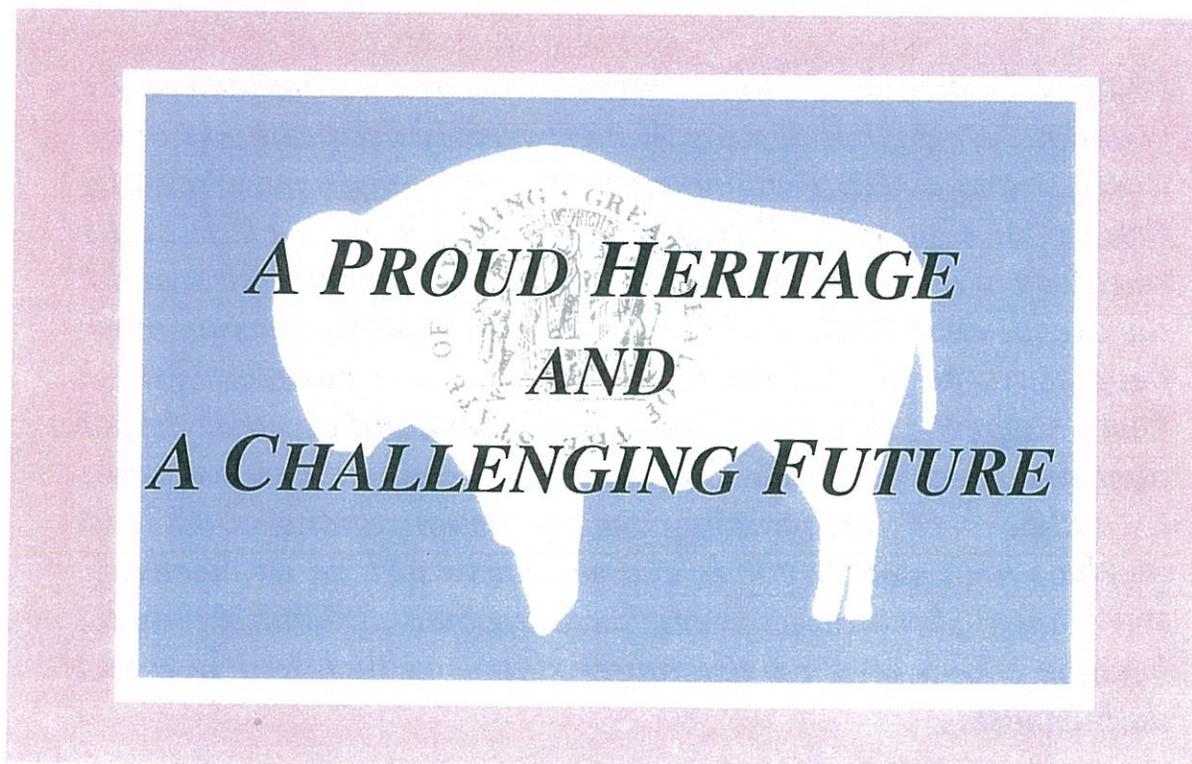


A BUSINESS DEVELOPMENT PLAN FOR WYOMING



**THE STEERING COMMITTEE FOR
BUSINESS DEVELOPMENT**

**STATE OF WYOMING
NOVEMBER, 1997**

VISION FOR A NEW ECONOMIC FUTURE

Wyoming -- Our magnificent mountains and plains will continue to inspire and shape the character of our citizens. We will protect this natural heritage and use our land wisely.

Natural resources will continue to be a fundamental economic strength, but we will increasingly depend upon our intellect and ability to compete in the emerging commerce of the global economy. Wyoming will develop on a clear and reasoned path to support more economic opportunities and an exceptional quality of life. To build a better future, our people will be offered the best education, our businesses the best support services, and our communities the best infrastructure resources. Our ability to change and innovate, to utilize new technology and communications, and to produce high quality goods and services will lead to success. We will find creative ways to overcome difficulties and become known as an outstanding state in which to live and do business.

With a new commitment to Wyoming, every citizen, business, and community will be a stakeholder in our economic future, and together we will build a stronger Wyoming for generations to come. We have a proud heritage and a challenging future.

Preface

In February 1997, Governor Jim Geringer; Bob Grieve, President of the Senate; Bruce Hinchey, Speaker of the House; and the private sector in Wyoming joined together to create the Steering Committee for Business Development. The final product of this committee is contained in this document. There is an additional resource book, containing three sections covering interviews from across Wyoming, a state program comparison report, and a demographics and economics report. Copies of that document are available on request from the committee staff. The private sector and an appropriation from the legislature funded this project.

The Steering Committee for Business Development:

Dan McMullin (Chair), President, Mini-Mart Corporation, Casper
David S. Wehrly (Vice Chair), Chairman, Forefronts Technologies Group, Sundance
Ted Blair, CEO, Blair Hotels, Cody
Gene Bryan, Director, Department of Commerce, Cheyenne
Linda Hewitt, President, Wyoming Economic Development Association, Lander
Nick Kasperik, Vice President - Engineering, Powder River Coal Co., Gillette
Tom Lockhart, Vice President, Pacific Power, Casper
Dave Reetz, Vice President, First National Bank of Powell
Dave Wood, President/CEO, First Security Bank of Wyoming, Rock Springs

Staff:

Pat Neary, Executive Director, Science, Technology & Energy Authority, Laramie

Legislative Charge to the Committee (excerpted from enabling legislation):

"(b) The Committee shall:

- (i) Assess Wyoming's current economic development structure, programs and results, including state and local community activities;*
- (ii) Develop a strategy and recommend a business plan for long-term, sustainable economic growth which integrates community roles and relationships and is consistent with a Wyoming lifestyle;*
- (iii) Identify successful economic development models nationwide which emphasize community participation;*
- (iv) Recommend a structure for implementation of the plan that would include public and private involvement, oversight and governance, and would allow business development specialists to aid local efforts;*
- (v) Recommend performance measurements to monitor Wyoming's economic progress including information standards."*

The committee was supported by professional assistance from National Community Development Services (NCDS) of Atlanta, Georgia -- J. Mac Holladay, Howard Benson, and Tom Ralser.

Executive Summary

Wyoming's economy has entered troubled times. The progressive changes in the national and global economy have largely bypassed the state. Key economic data indicate that, in terms of employment, income, and wages, Wyoming's citizens are not keeping pace with regional or national prosperity. Our situation is characterized by the lack of economic diversity, job growth that is shifting from higher to lower paying jobs, and federal policies limiting the development of public lands. Wyoming's young people continue to leave the state for better opportunities. There are some positive signs of slow growth, such as recent gains in the service sector. In most cases, however, Wyoming citizens are falling behind economically and indicators suggest that trends will not reverse unless there is aggressive intervention.

Wyoming's economic development efforts have been hampered by the state's lack of commitment to the future. Although there are many hard-working and talented people dedicated to the effort, the State lacks a comprehensive development plan and a cohesive organization. The present fragmentation of multiple agencies with multiple missions is a basic structural problem. In addition, the state investment is insufficient to make an appreciable difference in the economy.

The Committee recommends to the Legislature a consolidation of existing economic development organizations and a significant new investment of state resources. The Committee also recommends to the private sector a new commitment of people, time, and financial resources to lead the state towards an improved economy.

The foundation for a comprehensive development effort must be an improved business climate. Wyoming's people, businesses, and communities must all improve their ability to compete in the global economy. Business climate issues of workforce, taxation, regulation, and responsible financial incentives all need to be addressed. Infrastructure must be maintained and communications enhanced statewide. Higher education must be engaged to a greater extent than ever before in workforce training, business support, research and development, and technology transfer as statewide services. Capital must be attracted to the state and creatively employed to leverage financial resources. Core development strategies recommended include adding value to existing business, developing new enterprises, fostering entrepreneurs, forming regional alliances, and identifying and recruiting key businesses to enhance and complement our resources.

The implementation plan presented is a dramatic departure from past practices in Wyoming. The design focuses on citizen leadership of a new, corporation-like structure, a new level of professional service, and a regional delivery system. A second focus is development at the community level, defined by local requirements for improved training, financial expertise, and technical assistance. An unprecedented investment of resources, both people and capital, is required from both the private and public sectors. Performance benchmarks will increase accountability and measure specific progress in program operations, economics, and quality of life. This plan is a formula for success.

The Steering Committee for Business Development calls upon all Wyoming citizens to commit to this new partnership for a better future.

"We must provide job opportunities so our young people will not have to leave the state – jobs that are productive, meaningful, and well paying. The actions called for in this report are comprehensive. They require a strong alliance of private and public sectors. We must be willing to commit to that alliance. Then, together, we will provide a better future for ourselves, our children, and our grandchildren."

-- Governor Jim Geringer

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Economic Assessment and Situation Analysis

The Economic Problem is Long-Term and Fundamental

Over the past 50 years, the American economy has undergone fundamental and far-reaching changes. The advent of the "Information Age" is considered by many as significant a milestone in human development as the agricultural and the industrial revolutions. America has become more urban and the economy more diverse with immense growth in technology-related economic sectors. Modern communications have altered our concepts of time and distance. There have been major shifts of people and industry from the northeast to the southeast and west. The workforce skills have changed from the need for mere literacy, to the need for a college education, to the present need for a growing variety of complex technical skills. The local markets of our grandfather's day have now become a global economy. Every business now competes on a national and even international scale.

Wyoming has not participated in these national economic changes to any large extent, despite enviable natural resources, a high quality of life, and a favorable tax structure. The Wyoming economy remains rooted in basic agriculture, mineral and energy extraction, and tourism. No major urban center has emerged as a focal point and generator for the state's economy. There is no critical mass of private business. There is little diversification into manufacturing, high-level services, or the technology-based industries of the future. Wyoming, with all its great potential, has been left behind.

For over a decade, leaders in Wyoming have been cognizant of the state's economic problems but have taken only tentative steps at correction. Two major planning efforts involving hundreds of people were conducted. Two reports resulted: "Building a Stronger Wyoming -- Opportunities in a Troubled Economy" produced by The Wyoming Futures Project in 1985 and "Blueprint for Business -- A Strategic Plan for Wyoming" produced by the Wyoming Heritage Foundation in 1990. Excerpts from those reports illustrate a clear recognition of our economic position:

1985 -- "What it comes down to is that the world is rapidly changing -- Wyoming cannot go on the way it has and remain a good place to live and work. Wyoming must change with the new economic realities or lose out."

"Wyoming has lost population, employment and personal income. Wyoming is in serious economic trouble. Leaders in the public and private sector must now take steps in anticipation of the future and build toward a vision of a stronger Wyoming."

1990 -- "'Blueprint for Business' is convinced that change is in order. Given a lasting commitment, Wyoming's economy can improve. With a strong commitment of Wyoming resources, capital and people, (Blueprint) believes that opportunities for Wyoming's youth in the future will expand . . . A new Wyoming is possible in the next decade . . . but it will require a commitment to change, or else Wyoming will go backward while others are moving forward."

These reports and the judgement of the people behind them were prophetic. Wyoming is right where they said it would be — falling behind, an economic underachiever. We have planned, but we have taken no effective action. We have never committed and invested enough to succeed. ***This report is a plan for action.***

Over the past few months, hundreds of Wyoming residents, community leaders and groups have been interviewed about their perceptions of the state. A wide variety of reports and statistics has been reviewed. These activities resulted in new understanding about the state's condition and direction. This report summarizes the economic analysis and presents recommendations to the Governor and Legislature for consideration. Information presented is the most current available; time periods employed may differ due to the source of the data.

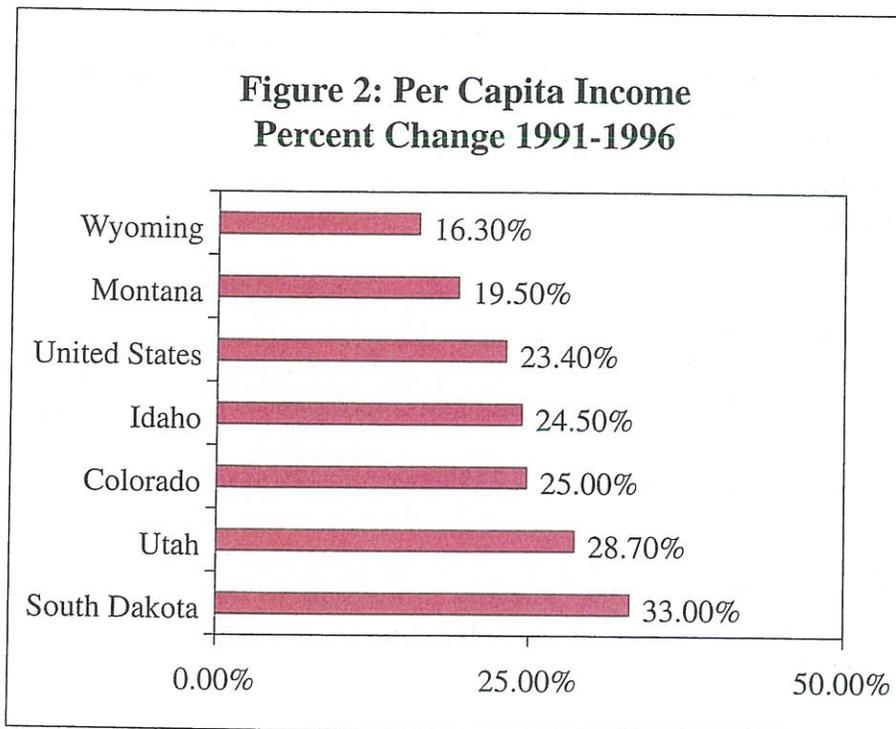
Key Economic Indicators and Trends

Wyoming is in the unenviable position of having gone from one of the best performing economies in the 1970s and early 1980s to one of the worst in the 1990s.

- In terms of total value-added jobs in manufacturing, wholesaling, transportation and tourism, Wyoming ranks last in annual employment increases from 1985 to 1994.¹ (Value-added jobs are those which increase wealth by adding value to a raw material or offering an enhanced service or product.) Please refer to Figure 1.

	<u>Average Annual Increase</u>	<u>National Rank</u>
1970-1984	12.3%	2 nd
1985-1994	2.3%	50 th

- Job growth has virtually disappeared in recent years. Wyoming has fewer jobs (covered by unemployment insurance) in the first quarter of 1997 than it did in 1981 (213,700 versus 216,067).³
- The state has dropped ten places to 35th in per capita income from 1991-1996. The state is now almost \$3,000 behind the U.S. average.⁴
- In 1996, Wyoming ranked 49th in manufacturing employment as a percent of total employment.⁵
- In 1996, Wyoming ranked 51st in technology-related jobs, behind 49 states and Puerto Rico.⁶
- In 1996, Wyoming weekly wages in 9 sectors are only 77% of national averages. These sectors include: mining; construction; manufacturing; transportation, communication and public utilities; wholesale trade and retail trade; finance, insurance and real estate; services; and government.⁷



NOTE: Wyoming ranks last in the region in PCI increase. South Dakota's rate of increase is twice that of Wyoming's.

- From 1991 to 1996, per capita personal income growth has been less than 60% of the national average and lags behind other states in the region by as much as 50%. Please refer to Figure 2.

The conclusions are that Wyoming's job growth and wages are lower than regional and national averages. Wages are not keeping up with inflation, and the gap is widening. Combined with a cost of living that is near the national average, Wyoming workers are losing their ability to maintain their standard of living.

Situation Analysis

Why has economic performance slowed in Wyoming since the late 1980s, while its neighbors are enjoying strong economic growth? Many causes have been suggested, including conservative investment climate, tax structure that doesn't support growth, remoteness from markets, small population base, and even the rural culture that is Wyoming. The fact that other western states have experienced relative prosperity, while Wyoming has not, suggests serious internal structural problems. The committee has identified five major structural areas of concern.

■ First - Wyoming has failed to diversify its economy.

Every economy consists of a matrix of employment sectors, the strength and balance of those sectors determines the health of the economy. The economy in Wyoming is so small that it lacks critical mass in any area. There are no "clusters" of related companies to grow and interact with one another. There is no high growth technology sector driving a network of buyers and suppliers. Wyoming is relatively weak in the key sector of manufacturing that generates economic activity in many other sectors:

- Services now rank first in industry employment, with 45,652 jobs and 21.4% of the total, up from 17.3% in 1987 and from 13.6% in 1981. The real problem is that our service sector growth is generally at the low end of the pay scale and does not include large numbers of professional, business, financial, technical, and other diverse services.⁸
- Retail trade now ranks second, with 44,795 jobs and 21% of total employment.⁹
- The mining sector lost 58% of its employment, 22,719 jobs, from 1981 to 1996. The mining sector was the *only* major category in the state to lose jobs from 1993 to 1996, and currently provides only 7.4% of all jobs in the state.¹⁰ The mining sector includes oil and gas extraction.
- The manufacturing sector accounts for only 4.8% of total employment, while nationally it accounts for 16.8%. Wyoming has the fewest manufacturing industry employees in the United States.¹¹
- Commercial and industrial loan volume from 1987 to 1996 increased from \$557 million to \$602 million, but when this increase of 8% is compared against the estimated 25% inflation rate for the same period, an actual decrease in loan demand of 17% is evident.¹²
- With the loss of mining jobs, continued growth in services and retail, and lack of growth elsewhere, the economy is actually less diverse now than before.

Federal expenditures are major economic drivers in the state. These expenditures include grants to state and local governments; social security; federal retirement benefits; federal salaries, wages and retirement benefits; and other direct expenditures. In terms of federal funding per capita, Wyoming ranks second in the nation, at \$5,208 per person. In 1996, these expenditures totaled \$2.5 billion. In comparison, this \$2.5 billion is 16% of our estimated gross state product of \$16 billion.

From fiscal year 1983 to 1995, federal expenditures grew at an average rate of 6.3% per year. In 1995, these expenditures grew only 0.3%. This leveling will negatively effect the economy. The category of grants to state and local governments fell by \$40 million from 1995 to 1996. Federal employment, too, has fallen from 7,619 employees in 1990 to 7,270 employees in 1996. While we support the balancing of the federal budget, it must be acknowledged that a reduction in federal expenditures in Wyoming has an adverse impact on our economy.

The employment sector graphs in Figures 3 and 4 clearly illustrate the differences in economic sector balance between Wyoming and the overall U.S. economy. They demonstrate that Wyoming has a much greater dependence on government than the average state (WY 22% -

15%), and that it falls far behind on manufacturing (WY 4% - 13%). The state still has a much higher mining percentage (WY 7% - 1%), and a much lower service sector (WY 24% - 30%).¹³ To provide perspective, Wyoming's gross state product is \$16 billion, so each single percent of difference represents \$160,000,000 of economic activity.

Figure 3: Sector Employment Wyoming 1994

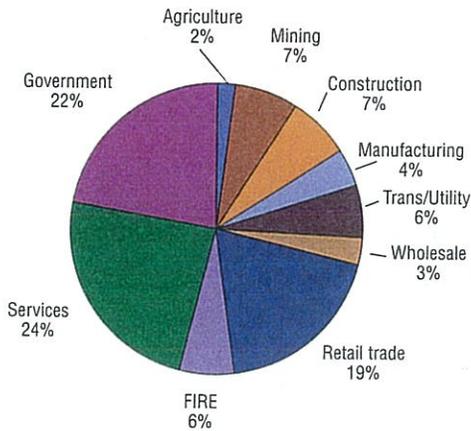
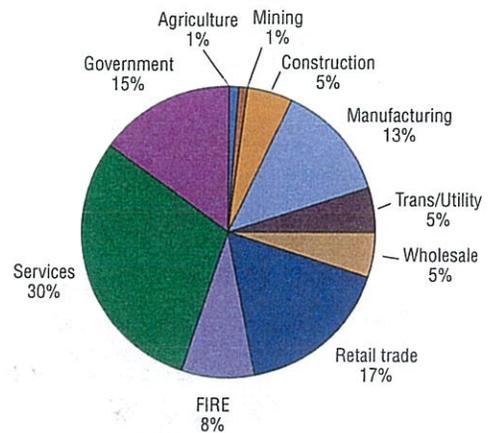
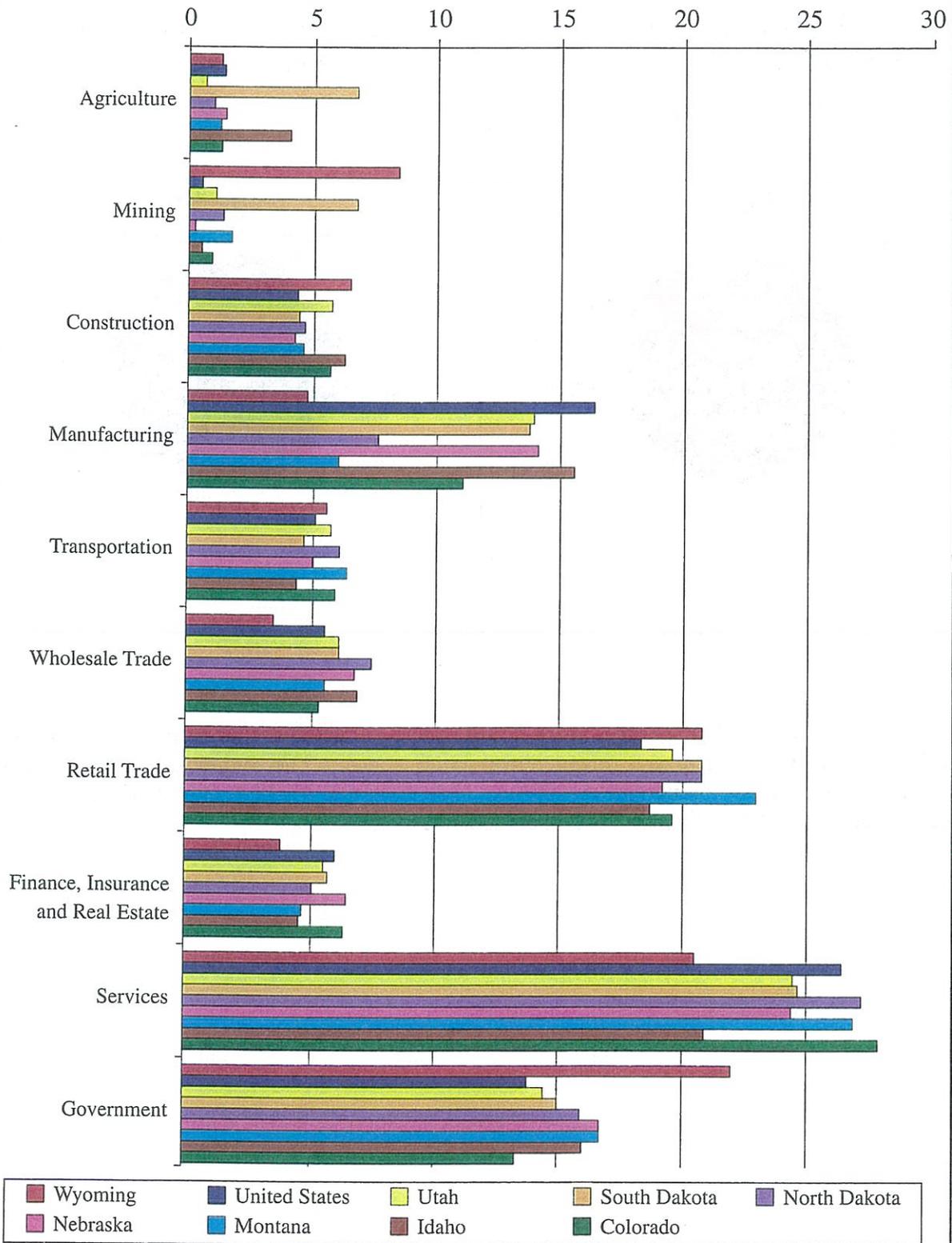


Figure 4: Sector Employment United States 1994

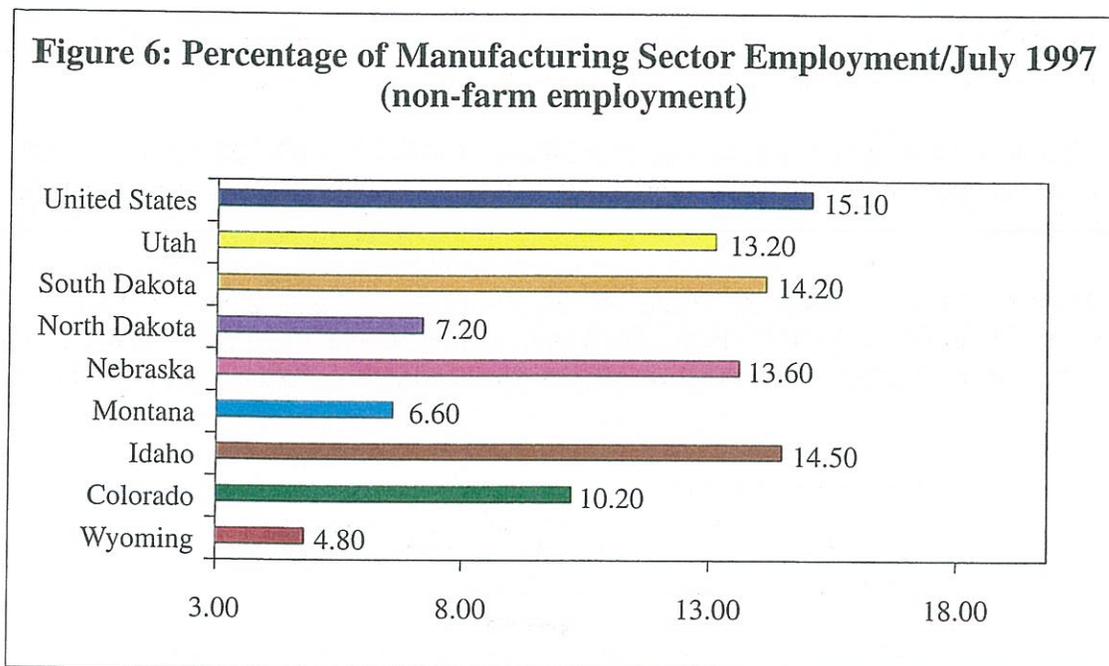


The employment sector bar chart shown in Figure 5 illustrates the differences between Wyoming, the United States, and seven surrounding states. The figure demonstrates that Wyoming is higher in the mining and government sectors, and lower in manufacturing, services, wholesale trade, and FIRE (Finance, Insurance, and Real Estate).

Figure 5: Employment Percentage by Industry Sector



While Wyoming may have a greater percentage of its economy in mining and government than the national average, and a smaller percentage in other sectors (notably services), the most outstanding anomaly in Wyoming's economic balance when compared to the nation and the region is its small manufacturing sector. This is a major imbalance in the economic diversity of the state. Please refer to Figure 6.¹⁴



Beyond initiating a serious effort to expand our manufacturing jobs, Wyoming needs to capitalize on the growth of technology-related businesses in the region. We do not, however, have a competitive presence in any of these industries. As previously stated, the state ranked last in jobs classified as technical by the U.S. Department of Labor Statistics. Yet, our quality of life could attract knowledge workers who can telecommute to anywhere in the world. Wyoming has not made an effort to attract technical opportunities for long term-development or to intentionally attract entrepreneurs making lifestyle decisions for relocation.

“Consider what are commonly believed to be the seven key industries of the next few decades: microelectronics, biotechnology, new materials, civilian aviation, telecommunications, robotics and machine tools, computer hardware and software. All are termed ‘brain power industries.’ Each could be located anywhere in the world. Where they are sited will depend upon who can organize the brainpower to capture them. In the next century, comparative advantage will be man-made.”

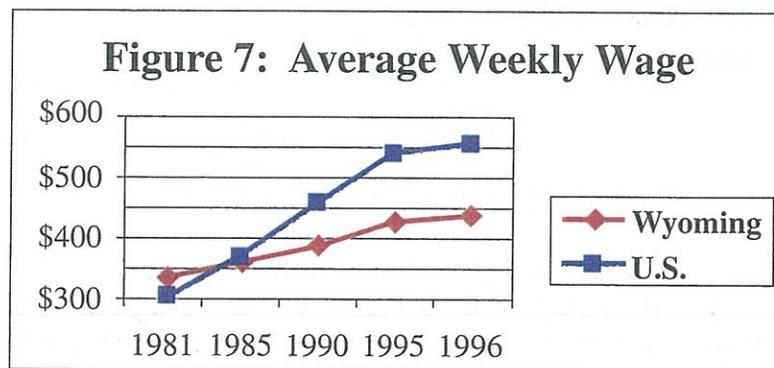
Lester Thurow – Economist, 1992

■ Second – Job growth has shifted from high paying to low-paying jobs.

Future job growth will not come primarily from Wyoming's traditional employers. For years, the extraction industries provided high-paying job growth to the state, but times have changed.

Productivity and technology enhancements will continue to suppress employment in this sector. Consider these facts:

- In the period of 1994 to 1997, Wyoming dropped from 11th to 34th nationally in the gap between the rich and the poor, defined as the top fifth and bottom fifth in mean family income.¹⁵
- Agriculture pays an average weekly wage of \$303 and has increased employment, but at 1.4% of total employment (3,051 jobs) is not a significant job generator.¹⁶
- Mining sector employment has declined 58% from 1981 to 1996 (38,603 to 15,884 jobs). Even mining wages in Wyoming are below the national average (\$44,926 versus \$47,612 in 1996).¹⁷
- Average weekly wages in Wyoming have declined 31.5% over the last 15 years compared to the national average. Such wages were 10.7% above the national average in 1981, but were 20.8% below the national average in 1996.¹⁸ Please refer to Figure 7.



- 1996 service sector average weekly wages are \$347, and 1996 retail sector average weekly wages are \$238.¹⁹

Recent growth in the services and retail sectors is encouraging in numbers, but disappointing in wages. Nationally there is considerable growth in high-end service sector employment -- professional, financial, health, computer and technology services; Wyoming job growth in services and retail sectors is in lower paying jobs.

Economies cannot achieve sustainable, broad-based growth without creating a variety of high quality jobs. Wyoming needs a concentrated statewide effort to foster the creation of higher quality, higher paying jobs in a variety of business sectors.

■ Third – Wyoming is losing an important resource – young people.

Educated and skilled young people entering the workforce are essential assets to any economy. Wyoming spends over half its state budget on education, but invests little in developing an

to retain its young people. There is true "brain drain" from Wyoming to states with economies. Consider these facts:

There are currently 5,800 fewer students in kindergarten through fourth grade than ten years ago, a full 15% decline. The U.S. average for this age group from 1991 to 1996 is up 5.6%.²⁰

The young adult population is declining dramatically. In Wyoming, the U.S. Census Bureau estimates that, from 1990 to 1996, the age group from 25 to 29 years declined by nearly 20%, and the age group from 30 to 34 years declined by nearly 28%.²¹

Median age, which was lower than the national average in 1990, is now higher than the national average and increasing rapidly. In fact, the median age was 32.0 years in 1990 and reached 34.4 years in 1995.²²

Seniors are the fastest growing segment of the population. Their numbers have increased 5.4% since 1990.²³

From 1990 to 1996, Wyoming has fallen from 15th to 28th in the percentage of people with a Bachelor's degree or better. During that same time period, the state only dropped from 7th to 8th in those with a community college education.²⁴

The committee believes that those in middle age with established careers may be doing well, but young people and families (25 to 34 years) -- our best and brightest minds -- are leaving. We are realizing a maximum return on our investment in education. This age group represents families of child bearing years, as well as workforce. Wyoming youth now serve as build other economies. A healthier economy with attractive opportunities may convince stay, or at least return in the future. Wyoming must redirect its economy and help economic opportunities to retain and attract a competitive workforce.

Fourth - Public lands and federal policies limit development.

Control of economic assets will continue to limit Wyoming's economic opportunities and growth. A considerable portion of Wyoming's natural resources, whether minerals, energy or timber, is based on public land and controlled by external factors:

Public land makes up 49% of Wyoming's land area.²⁵

Federal mineral rights control 90% of our coal; 62% of our trona; 59% of our oil; and 65% of our natural gas.²⁶

Federal land managers' primary responsibilities are not to the citizens of Wyoming, but rather to the national public.

Federal environmental laws and their administrative interpretations limit development activity.

- The lack of a single federal voice and unified position on key issues of importance to the state, leads to confusion and overlapping authorities that make problems more difficult to solve.
- Powerful national special interest groups are interested in preserving, not utilizing, Wyoming's public lands exert an undue influence over our economy.

This continuing dilemma has no easy remedy. The Committee's plan proposes a strategy of assertive state advocacy. The state must represent its communities and commercial interests by maintaining a continuous dialogue with federal land managers and regulators in Wyoming and in Washington, D.C..

■ Fifth – There is no cohesive structure for business development.

Wyoming does not have a comprehensive development plan or unified state structure to effectively conduct a modern economic development program. Consider these organizational difficulties:

- There are currently five primary agencies and more than 20 other state agencies and university programs that perform some type of economic development activities. These agencies include: The Division of Economic and Community Development; Travel, Tourism, and State Marketing; Science, Technology, and Energy Authority; Small Business Development Centers; and Mid-American Manufacturing Technology Center.
- The effort is fragmented, as these agencies share no common vision, strategic plan, resources, or accountability.
- Development agencies do not communicate well with each other about their business clients; resources are not shared; client problems are not solved as a team.
- A state as large as Wyoming needs more local service delivery and coordination of effort.

The Committee's recommendations will focus upon the five organizations primarily responsible for economic development. Many other agencies have minor roles to play in economic development, but they currently are not considered within the state's economic development plan. For example, the Game and Fish Department has a tremendous impact on our recreational economy; the Department of Transportation can affect trucking and tourism; the Agriculture Department marketing effort affects exports. All of these other agencies must communicate and coordinate their economic development roles in a more productive fashion.

The Committee firmly believes that we can create a stronger Wyoming, but new strategies, resources, and partnerships are necessary. Wyoming needs a new spirit of cooperation and a statewide private-public partnership.

The Steering Committee for Business Development will present a plan with proven strategies that, if adequately funded and staffed, will end the present fragmentation and result in a successful development effort. We seek to honor Wyoming's past and build a better future.

Economic Development Plan

The Steering Committee has studied successful state development programs and "best practices" nationwide. After careful analysis, the committee designed a plan with strategies and programs proven successful in other states, but adapted to Wyoming's unique conditions. The plan is based upon a dynamic private and public partnership; it is innovative and action-oriented, and will stimulate economic development statewide. The three basic elements of the plan are (1) Foundations for Economic Development; (2) Economic Development Strategies; and (3) an Implementation Plan.

The state's business climate is the basic foundation for economic improvement. A 1996 study, "Improving Your Business Climate," by the Corporation for Enterprise Development (an economic development policy group that publishes the Annual Development Report Card of the States), outlined six new criteria for creating a better business climate. They are education, regulation and taxation, development incentives, physical infrastructure, accountability, and modernization and entrepreneurship. All are discussed in this report as vital to Wyoming's future.

Foundations for Economic Development

Six components represent a comprehensive frame for Wyoming's economic development strategy. They are interdependent and must be pursued simultaneously. These components will establish a firm foundation for building a healthy economy:

- *Competitive People*
- *Competitive Businesses*
- *Competitive Communities*
- *Infrastructure Development*
- *Diversification and Value-Added Products*
- *Redefined State and Private Sector Roles are Necessary in Wyoming*

■ Competitive People

As we view the importance of competitive people, the Steering Committee has identified three basic issues:

- *Quality of the Workforce*
- *Community Leadership Development and Resources*
- *Role of Higher Education*

Quality of the Workforce

Human capital is our most significant asset for improving Wyoming's future. The excellence of our public education system is of paramount importance. Our students need to be nationally competitive at all levels. Faculty must also be nationally competitive in both skills and compensation.

Today's economy is a dynamic, technologically powered environment that values skill and agility in its workforce and companies. Today, one doesn't prepare for a job or career, but, rather, for many jobs in several careers throughout a lifetime. This leads to the conclusion that we must not only improve the education of young people, but also provide continuing education and training for the adult population as well. This puts particular pressure on our community colleges and university communications system to provide adult education in innovative ways.

The entire educational system must be cognizant of and responsive to the workforce needs of businesses and communities. Traditional delivery systems must be transformed to become more responsive to citizens and businesses as "*customers*." Due to our low population density and the high cost of training the rural student, the use of advanced communications to serve statewide training needs becomes an imperative infrastructure issue. Other educational programs such as employee skill screening and testing, employer on-demand training, and school-to-work programs must be woven into a comprehensive workforce development system. The new Workforce Development Fund is a step in the right direction. With a dedicated source of revenue, that fund can directly assist business with its training needs.

The Equality State also needs to address the inequities in compensation for women. The underemployment and low pay of over half of our citizens is a serious issue. Competitively, Wyoming simply cannot afford to continue to be ranked as one of the lowest states in the nation in pay equity. There needs to be a continuing effort to ensure that every citizen receives equal pay for equal work. In addition, an important part of the enterprise development strategy should be directed at getting more women involved in business ownership.

Wyoming has historically enjoyed good relations between labor and management. Only through the partnerships of labor and management can workforce development be maximized to benefit all parties. It is important for the future that a meaningful dialogue be continued.

Community Leadership Development and Resources

Competitive communities are important assets to the state's development. Local officials and civic leaders are challenged with all the complex development issues present at the state and federal levels, but are often without the technical and financial resources available at those levels. For example, the issues of planning and zoning, open space, development permits, rural residential growth, and similar issues plague local officials. The Committee's statewide survey revealed that local communities need external sources of financial and technical expertise.

Community development is a process that can be taught. Many states have well-developed statewide leadership programs. Such programs need to be encouraged and developed at the community level. The University of Wyoming has expressed an interest in incubating leaders for the future; community colleges can assist regionally. These efforts should be synergistic and delivered in a well-coordinated package at the community level in support of local leadership.

Role of Higher Education

The University of Wyoming and the seven community colleges are important assets for Wyoming's economic development. Within the higher education system resides the largest concentration of intellectual capital, advanced technology, and telecommunication centers in the state. More importantly, the students receiving an education within the university and community college system represent our future workforce.

While it is recognized that education is their primary responsibility, these learning institutions should also realize that it cannot be their only focus. Many already recognize the importance their institution has in a statewide, comprehensive economic development plan. All currently provide some level of business-related education and business support functions to their communities, districts and the state. The Committee believes the University and community colleges could do more:

- The Committee supports the University's call for the community colleges to join the university in a "*comprehensive statewide educational needs assessment to help guide the development of the post-secondary educational agenda in the coming decade.*" The University and the community colleges should cooperate together, to the fullest extent possible, in providing education and training to improve Wyoming's workforce.
- The mission of a land grant university is research, education and service. The University of Wyoming should continue to make service an important criterion for tenure, promotion, and merit salary increases in those departments that provide service to the various economic sectors of the state.
- The University and community colleges should take every opportunity to educate faculty, staff and students about the entrepreneurial process and create avenues for developing increased entrepreneurial activity within these institutions. Through this process a culture, perhaps even a curriculum, supporting such an activity can be developed and sustained.
- Support for the state development strategy in small business education, technology development, technology transfer, targeted business and industrial research, and specific programs in workforce development is critical.
- The States' Experimental Program to Stimulate Competitive Research (EPSCoR) is a key source of funds to build research infrastructure and faculty expertise. Research programs receiving state funding should either focus on technologies critical to the state or maximize opportunities to commercialize products of the research through development of new businesses operating in Wyoming. The public investment in research infrastructure should be viewed as a long-term investment in education and technology development; a short-term payback should not be expected.
- There is a direct relationship between University research and the development of new, high technology businesses in Wyoming. Entrepreneurs seek access to University faculty, laboratories, and shops and will hire outstanding graduates to fuel their

innovation. The University possesses excellent research capabilities to assist the state, as well as the nation, in issues of global economic competitiveness.

- Expanding the telecommunications infrastructure could provide a tremendous linkage between all levels of education and serve the business community in entirely new ways.

The fact is that the higher education system has not been fully integrated into the state's development strategies, but needs to be. Perhaps the comments of University of Wyoming President Philip L. Dubois summarize this most clearly, "*There is little the University can do in the absence of a clear and coherent state economic development strategy backed by sufficient resources and long-term commitment to give it any chance of success.*"

■ Competitive Businesses

Business, not government, is the primary creator of jobs. But, to grow and prosper, Wyoming businesses must have a supportive, proactive business climate that encourages investment and growth. The state can create an improved business climate to foster more competitive businesses.

In order to improve business climate, the following issues need to be addressed:

- *Taxation*
- *Regulation*
- *Capital Formation*
- *Development Incentives*

Taxation

A stable and competitive tax environment encourages businesses to invest in people, facilities, equipment, and their communities. Wyoming's tax structure is viewed as an anomaly, with one of the least balanced state revenue streams in the nation.²⁷

In fiscal year 1996, the mineral sector contribution (from all sources) to state revenues was \$862 million, 35.9% of total revenues of \$2.4 billion. Just as we need to diversify our employment base, so too, must we balance our state and local tax revenue base:²⁸

- Wyoming must reduce its reliance on the extraction industry group for revenues.
- Wyoming ranked 48th in the fiscal stability and balanced revenue category and 43rd in tax fairness in the 1996 Report Card of the States.
- Many companies view Wyoming's current structure as unstable. The uncertainty of how the tax situation will be resolved is a problem in and of itself and may discourage business relocations to the state.

- The recent creation of the Tax Reform 2000 Committee is a strong step forward. The results of its work may be an important component of Wyoming's future business climate.

Enlightened tax reform must balance the impact among all economic sectors and be based on enhancing the opportunity for diverse value-added development. The revision of Title 39 of the State Tax Code may streamline and improve the administration of many tax issues. Inadequate public revenue limits the state's ability to shape its future, educate its students, provide essential services, and improve the quality of life of its citizens.

Regulation

The business regulatory climate is an important part of a state's participation in economic development. Businesses need to plan and to project the time and cost of regulatory compliance. Time is money; inconsistent application of regulations and long-term delays drive capital investment from the state. Business deserves professional service from state officials who seek to facilitate and solve business problems, not act as obstacles. Without sacrificing regulatory integrity, or environmental quality, customer service needs to be improved in this state:

- States can change their regulatory attitudes and efficiency. Some provide a 24-hour a day permitting assistance on major projects; others have eliminated outdated, duplicative regulations and those no longer related to current law.
- Agencies such as the Public Service Commission now play a vital role not only in regulation, but also in creating healthy competition in areas such as telecommunications and gas and electric policy.
- The recent creation of the Office of Outreach and Environmental Assistance within the Department of Environmental Quality is an example of innovation in regulatory service. Acting as an ombudsman, the new Office will facilitate small business permitting, regulatory compliance, and problem solving.
- The Committee's consensus is that state regulations should not exceed federal regulations. Where there is a perceived need for regulations to exceed federal standards, a full socio-economic impact analysis, for both the short and long-term, should be performed by the state agency prior to the public hearing process. We demand it of federal agencies, and we should demand it of our own state agencies.

A more productive working relationship with various federal entities is vital. The Bureau of Land Management, Forest Service, National Park Service and EPA, in particular, have great impact on Wyoming's current resource and tourism-based economy. The lack of a unified federal position on issues important to business development creates confusion, delay and cost to the state and its businesses. Strong advocacy from the state is necessary to help businesses conduct sustainable operations into the future.

Interviews reveal that there may be restrictive banking regulations that limit participation in local bond offerings by requiring unreasonable federal guarantees. Further investigation of these statutes and legislative change to the laws may assist local development efforts.

Capital Formation

Profits, growth, and market potential all drive a company's ability to generate capital -- either from equity or debt sources. In a state that isn't growing and in an economy that isn't expanding, these three elements may be missing. However, access to capital is essential for business. Consider the following:

- Improving the ability of small businesses to access private capital markets can strengthen demand for capital. The role of economic development finance professionals is to provide advice and counsel on creative financing plans utilizing limited public financing as a catalyst for private capital.
- Supply of capital can be improved by leveraging private funds with small amounts of public capital to reduce risks and allowing financial institutions to remain within regulatory requirements. There are many sources of private and federal funds for small business that Wyoming has not yet accessed.
- Many states have arrays of financing programs in which the state remains at arm's length from the transactions. Effectively, a state "*wholesales*" its funds through existing financial institutions rather than "*retailing*" -- providing direct loans from the state -- as we have done previously in Wyoming.
- Direct cash infusions are made only in areas critical to state development or where there is a market failure to provide capital. Seed capital for small business start-ups, micro-lending programs, commercialization of research, and other such catalytic investments should be a legitimate state role if conducted in a business-like fashion.
- Marketing assistance, especially as it relates to the global economy, can help businesses access the growing markets not offered by Wyoming's static population.

Public monies are usually dispersed as grants or in debt instruments, but there is also a need for equity capital in Wyoming. New ventures often need access to venture capital and "*angel*" capital (equity funds from individuals of high net worth). These types of capital are usually attracted to high growth and high technology companies. There is little venture activity in Wyoming, although there are emerging efforts to provide an electronic network for angel capital in conjunction with the Small Business Administration and to develop local venture capital networks of a modified variety to suit Wyoming's rural economy.

There is a role for Wyoming in providing financial assistance to fuel development. A careful assessment of small business financial needs should be conducted in conjunction with private and federal sources of funds. A comprehensive set of financial tools can then be developed to suit Wyoming's business needs and to leverage scarce state resources. A professional approach of portfolio and risk management techniques can limit the exposure of public capital and maximize the investment of private funds and management expertise.

Development Incentives

If the absence of corporate taxes was such a powerful incentive for business, Wyoming should be overwhelmed with companies knocking at the door -- but very few are knocking. Wyoming has

so few taxes on most business (i.e., no corporate income tax) that many standard incentives utilized by other states are currently not possible. In fact, Wyoming's lack of taxes provides an initial cost avoidance that results in businesses retaining their income, rather than having it taxed and then returned to them via incentives. For example, over the last two years, the state has reduced Workers' Compensation rates resulting in a 31% tax reduction and \$24 million retained by private businesses.

- Certainly any development incentives offered in the future need to be accountable with a clear return on investment for the state and its citizens.
- The state can provide real commercial value to companies by acting as a facilitator and enabler with infrastructure, research, product prototyping, advertising and marketing assistance, and other non-cash contributions to the company's bottom line.
- Removing the regulatory disincentives of time delays and bureaucratic obstacles can be just as significant as a cash incentive.
- Providing seed and early stage financing to emerging technologies, small businesses and venture capital efforts provides a catalyst for much larger private investment. Small grants, sub-prime loans, and loan guarantees are all legitimate incentives when applied wisely to specific development objectives, and when they provide a return on investment.
- The state needs to create and fund the Wyoming Economic Development Fund. Strict qualification criteria will be needed to allow for an effective "*deal closing fund*." Currently, the state has no capacity to respond to specific financial gap requirements in major projects.

The financial resources of the private sector sometimes need stimulation. Carefully applied public incentives can act as a catalyst, leverage private resources, target investment in desired economic sectors, and close deals.

■ Competitive Communities

The term "*competitive community*" signifies a community whose people, and businesses are prepared to compete in the global economy. We need to raise our level of expectations about what our communities can be, and expect quality in our public services and a cooperative community spirit. Wyoming needs attractive, secure communities for people to live and work within. A vital downtown with a good mix of retail and service businesses to serve residents should be expected. Social amenities, parks, libraries, and recreational facilities are all measures of the "*livable community*." Many people expect the arts and cultural events of a community to enrich their lives and be available for their children. A competitive community delivers the complete package to its residents:

- A competitive community has a vision for its future, enthusiastic civic leadership, supportive local governments and private sector financial institutions, modern infrastructure, and a realistic plan for development.

- A competitive community is organized to provide and attract a trained workforce, continuing education, medical facilities, business-to-business matching, leveraged financial assistance, and business and industrial park facilities.
- A competitive community often collaborates with its neighboring communities, county government, and related public agencies. It is a community that maximizes its assets to the fullest to provide the best quality of life for its citizens.
- A competitive community pursues community development and economic development simultaneously. There is a wide array of resources for community development activity, but only skilled practitioners are able to assemble all the technical and financial resources necessary to conduct an effective development program.
- A competitive community continually refreshes its core of leadership by recruiting promising young people, diverse groups, and new citizens.

Clearly, there is a need in Wyoming to provide additional assistance to communities. Some communities invest in professional development staff and prosper, but all should have access to professional assistance of high quality. We must recognize and accept the fact that not all communities will seek to become competitive. Those who do should receive a special concentration of resources to assist development; those who choose another path will at least have equity of opportunity and access to resources.

Great potential exists for the citizens of the Wind River Indian Reservation. As a community of two distinct tribes and cultures, the reservation faces unique challenges. Yet, its rich natural and cultural resources, and abundant recreational and agricultural lands offer unparalleled opportunities. As sovereign nations, the tribes enjoy tax advantages that can be very attractive to business. In the state's new development plan, the tribes should be supported in a true partnership to determine their own futures.

■ Infrastructure Development

Historically, infrastructure has referred to roads, water, sewer systems, access to utilities, railroads, and airports; Wyoming needs to maintain and upgrade its traditional infrastructure:

- Highways are vital to a large, rural state. Rural "*winners and losers*" are often defined by their transportation costs. The increasing dependence on long-haul trucking to satisfy the import/export needs of the state magnifies the trucking industry's importance to Wyoming's future. This dependency increases the importance on well-maintained highways and support services. Wyoming needs to ensure that sufficient funds are available for maintenance and upgrading of its statewide system.
- Airports, commercial passenger, and freight service continue to grow in importance for regional economic development. Every effort needs to be made to improve overall service to Wyoming's hub communities and improve airport facilities. Realistically, air service is a simple numbers game – Wyoming needs more traveling people and business freight to significantly improve air service.

- Railroads have historically played an important and positive role in Wyoming's economy. Today that position is increasingly in doubt, as the railroad market concentrates upon the mineral industry. Lack of competition, resulting high freight rates, and line abandonment could threaten some value-added potential in several regions of the state. At the same time, the northeast is debating the acceptability of new rail service. There needs to be a partnership of private and public leaders to create a positive action plan.
- As in most western states, not only the quality, but also the quantity of water is an important issue. The development that Wyoming seeks will require the effective use of this limited resource for people, for processing, for manufacturing, and for agriculture. A comprehensive strategy to capture and properly utilize this life-giving resource is an important development issue. The State Water Planning Process now underway is vitally important.
- Wyoming is currently constrained by oil and gas pipeline and electrical energy transmission capacities. Our competitors in Canada have a close private-public partnership in the visionary development of their export utilities. The state needs to take a more proactive role as a catalyst and facilitator in developing our own long-term plan for energy exportation.

The definition of primary infrastructure is expanding to include telecommunications, fiber optics, digital switches and satellite links. Wyoming must also invest in this new infrastructure:

- Telecommunications are particularly important for remote, rural states like Wyoming, because they shrink time and distance, making global commerce possible.
- Advanced communications is vital for the modernization of existing companies as well as for recruiting new firms.
- Wyoming has been a leader in telecommunications deregulation and is seeking to be a demonstration site for new computer and communications technology.
- As Wyoming connects its schools to the world, the financial leverage and integration of systems to provide such services is vital.
- State support of the development of telecommunications infrastructure is best served by the unified purchasing of services to support the private sector. This would support the Department of Education's K-12 technology plan that relies on the ability to deliver high-band width services by the year 2001. The resulting capacity will then serve ancillary interests such as higher education, business, telemedicine, public safety, and communities.

Wyoming is at a crossroads: it can either take a quantum leap forward with technology and communications, or continue to fall behind. Communications infrastructure must remain a high priority for it allows us to overcome our geographic isolation. The chief difficulty is funding. Due to Wyoming's large size and small population, the market simply will not supply advanced communications to rural Wyoming. Some public investment may be required to leverage private investment; otherwise, Wyoming may never obtain advanced communications statewide.

■ Diversification and Value-Added Products

The state needs to take an active role in targeting development in businesses that produce higher value products, and create higher skilled, better paying jobs. After careful research of our business and industrial potentials, a concentrated effort to develop targeted areas is necessary to expand existing businesses and to recruit new ones. Improved economic balance is the goal:

- Value adding is the simple concept of taking a raw material, product, or service, processing it, and thereby increasing its intrinsic value in the marketplace. Few companies in Wyoming actually do this. Current value-added activities include making corn into ethanol, trona into soda ash, soda ash into packaged baking soda, coal into electricity, bentonite into cat litter, and the like. Wyoming needs to do more.
- The solution is publicly sponsored industrial research in targeted areas where Wyoming has the resources and can create competitive advantages due to material and energy costs. Sound business research can then be used as a catalyst to stimulate private interest in the opportunity.
- The entire cycle of research, development and commercialization needs improvement in Wyoming, to create new products and diversity existing business.

■ Redefined State and Private Sector Roles Are Necessary in Wyoming

A 1997 report by the National Governor's Association titled, *"Economic Competitiveness in the Global Marketplace,"* provides valuable insights into the changing roles of states in economic development. States are identified as having three effects on private firms: *"(1) as producers, states build highways . . . and universities as basic infrastructure; (2) as facilitators, helping other organizations perform through financial assistance (grants, loans and guarantees) and non-monetary support such as technical assistance; and (3) as prohibitors, passing laws and regulations that limit or prevent certain business behaviors."*

States cannot make businesses profitable; states cannot create private sector jobs. But, states can act as a catalyst for change, support education of a skilled workforce, stimulate and leverage private capital, reduce cumbersome bureaucracy, provide business support services, build infrastructure, and perform a number of other functions. States need to operate on a scale sufficiently large enough to positively change the economic equation and to realize a return on investment. Many states now enjoying "overnight" economic success started investing considerable amounts of capital in their development 20 to 30 years ago.

The development efforts in other states differ significantly from those in Wyoming:

- There is often a history of consistent, long-term support for economic development in other states.
- The larger economies in other states result in greater levels of corporate support, active business leader participation, and direct capital contributions for growth and development.

- There often exists a long tradition of state leadership and an extensive private sector network of literally hundreds of trained development professionals and tens of millions of dollars of investment in development activities.
- Established Chambers of Commerce, at the state level, are professionally staffed business development organizations fully capable of industrial research, financial analysis, real estate development, infrastructure construction, and deal structuring and closing. They are run by well-paid experienced business people, have significant budgets, and perform according to strict business practices and return on investment.
- Our international competitors, whether they are in Europe, Latin America or the Pacific Rim, enjoy close collaboration between business, government, and universities. None of these conditions exist in Wyoming.
- In Wyoming, we have none of these aforementioned private sector elements or private-public partnerships.

Wyoming can't develop the way other states have – there is no other leadership unit or funding mechanism than the state itself. To level the playing field, the State of Wyoming must participate to a greater extent in development activities. A greater investment of people and capital is required to operate on a scale sufficient to ensure success. Forming effective partnerships with the private sector is one of the most important actions the state can take.

Business Development Strategies

The six strategic components identified in the previous section must be translated into concrete actions. The Committee has developed the following strategies:

- *Existing Business Development and Recruitment*
- *Entrepreneur and Enterprise Development*
- *Community Enhancement*
- *Effective Targeting*

■ Existing Business Development and Recruitment

The health of Wyoming's existing businesses is a top priority. A key component of the strategy is to help existing companies solve problems and expand their operations. Wyoming must commit to listening and responding to the firms that currently operate in the state. The emphasis should be on modernization and productivity enhancement for every firm. The diversification of existing firms into new business lines and products is an additional priority. No development strategy can succeed unless existing firms succeed.

Initially, the existing strengths of the key business groups with the greatest short-term potential should be addressed, including the resource extraction and tourism industries. It is logical that the minerals and energy sectors, as major economic drivers, should have qualified staff support

from the state, just as agriculture and tourism presently have their own committed staffs. The state must be an advocate to deal with the needs of the mineral and energy industries and find solutions to their problems for the benefit of all citizens.

The state needs to build upon an area of strength -- tourism. The tourism industry is dynamic, with an ever-changing customer base and product mix. A broader array of tourism products, services, and destination attractions needs to be developed statewide. The tourist population is aging, but interested in more active, experiential vacations. Scenery alone will no longer suffice; a concentration of destination attractions is needed. Serious effort must be made to extend the stay of every visitor. There are several important components of the new strategy that would include destination support and creation, niche marketing for specialty tourism, and conference and event promotion. Further Yellowstone/Teton-related product diversification is needed.

The selective recruitment of firms from outside the state requires clear focus. The primary goal should be to add value to Wyoming's natural resource base. Quality industrial research is the first step needed to identify the ideal manufacturing and high technology targets. Professional recruitment staff will then be charged with the recruitment and deal closing. The state must provide quality leads to communities and assist with regional marketing needs. Unlike the other strategies, this recruiting effort must serve the entire state from a single headquarters location.

Corporate leaders can have great effect in marketing Wyoming in their daily business activities. Recruiting is an area where greater private sector involvement can magnify the chances of success. Every business exists within a network of buyers and suppliers, and each element of that network can become a target for private sector recruitment. Active involvement by the state's corporate leaders in an executive calling program can significantly contribute to Wyoming's image, marketing program, and recruiting efforts.

Wyoming has no business image nationally and needs to create a powerful one to overcome the historic neglect in this area. Businesses need to be convinced that Wyoming is an excellent location in which to live, work, and operate profitably. The image must overcome perceptions of climate, isolation, lack of trained workforce, etc.. Wyoming's image must be attractive to both the corporate and tourism client. We must put Wyoming on the business relocation map.

Possible programs to carry out this strategy include:

- Regionally-based manufacturing extension staff
- Extraction resources advocacy staff
- Buyer-Supplier match program
- Tourism/Destination attraction planning and financing
- Matching tourism grants program
- Technology transfer program
- Market and export development program
- National marketing program
- Professional recruitment staff with targeted marketing goals
- Wyoming Economic Development Fund

■ Entrepreneur and Enterprise Development

As the American economy continues to restructure, the growth and sustenance of small business is a vital component of Wyoming's strategy. This strategy's focus is on the creation of new companies and the nurturing of small firms (under 25 employees). The needs of most small business owners involve access to managerial and technical expertise, technology, capital, local and distant markets, suppliers, and communications infrastructure. Because of Wyoming's size and demographics, business services will be delivered at a regional level, with offices staffed by a small team of highly trained development professionals with complementary business skills. An active effort will be made to attract communications-based entrepreneurs who are geographically independent in their operations and make relocation decisions based upon quality of life considerations. A curriculum of studies related to entrepreneurs and enterprise development will be encouraged at the University and community colleges.

Possible programs to carry out this strategy include:

- Small business hotline
- Small business assistance staff
- State and Federal procurement programs
- Small business incubators
- Technology transfer and training programs
- Small business grant, loan and guarantee programs
- Local venture capital and "angel" investor networks

■ Community Enhancement

The quality of its communities is an important asset for Wyoming. Community development is comprehensive and requires a wide variety of leadership skills, financial expertise, and engineering resources not commonly found in citizen councils and commissions. A careful assessment of community and regional needs is necessary as a first step in improving service delivery at the local level. Skill sets can then be developed to match the requirements of the specific interests of the communities.

There is a pressing need for economic and community development training for local elected officials, civic leaders, and volunteers. There is also a need to have state development resources delivered in a coordinated fashion to maximize public benefits. For example, turning a field into a business park involves planning, water, sewer, power, roads, and communications, all of which originate in different agencies and grant programs.

Regional offices staffed by highly trained development professionals will assist communities and local developers with planning, grant applications, and project management. The Community Development Block Grant Program (CDBG) and other state and federal funding sources must be redirected to assist this effort. The Wyoming Association of Municipalities and the Wyoming Association of County Officials must be active partners and engaged in the plan.

One of Wyoming's realities is the historical absence of a strong state development program. The existing population centers in each of the five regions need improved state assistance in leading

strategy and program creation for their surrounding areas. The state needs a regionally based training program to ensure that community leaders share common definitions and directions in economic development. These programs can bring private and public sector leaders together to learn and communicate with each other. Each community may develop independently, but all should have the same tools and training available to them.

Possible programs to carry out this strategy include:

- Technical support staff for communities
- Competitive community program
- Leveraged federal and state grant programs
- Economic development academy
- Main street and small town programs
- Business park creation program

■ Effective Targeting

One of the fundamental needs of any successful economic development program is to identify targets of economic opportunity. Currently, Wyoming does not have the capacity to perform basic industrial research, and such studies are contracted, often to out-of-state firms. Realizing that diversification of the economy is a primary principle, the economic objectives must be realistic and futuristic at the same time. What follows is a preliminary list.

Value-Added Resource-Based Firms — This target is to create new investment and high quality jobs by creating products from Wyoming's vast natural resources. Exporting electrical energy via direct current power lines has been done, and a glass production study is currently underway. Dimensional and decorative stone products hold great potential. In addition, natural gas byproducts, electrical energy, fertilizer facilities, petrochemicals, and enhancement of other minerals should be targeted with continuous staff research and support.

High-Value, Capital Intensive Manufacturing and Processing — The recruitment of these targets is difficult, but Wyoming has assets and company relationships, which allow it to compete. Transportation equipment and certain agribusiness processing are logical targets. Two recent examples are the Nortrack Switch Company in Cheyenne, supplying Union Pacific, and the Budweiser facility that went to Colorado. Specific research needs to identify other opportunities.

Products From and For Existing Companies — Many of Wyoming's companies buy an enormous amount of finished goods from suppliers in other states and regions. There are small business opportunities in meeting the existing purchasing needs of Wyoming's companies. This target goes beyond a buyer-supplier-matching program to the discovery of new supply opportunities for entrepreneurs.

Technology-Based Firms — This target speaks to both start-up companies and selective recruitment. Special effort must be applied in this area of high growth potential. There must be a greater effort to build on university research strengths, leading to job creation

and the building of a cluster of technology firms. Echostar and Quark, both located in Cheyenne, are examples of high-tech success stories.

Tourism/Recreation Resources and Product Expansion — Tourism is a vital component of Wyoming's present and future economy. The creation of new facilities and support services, and the expansion of existing ones, will continue to strengthen the economy. Research is needed to help the tourism industry find new and growing opportunities and market niches.

High-Quality Professional Services — The State's service sector is smaller than the national average. While the healthcare sector has grown into an important player, other high-quality jobs in business and professional services lag behind. Providing quality service products to nearby urban areas and building on healthcare services are important targets.

Information Technology and Processing — There is a job growth and investment explosion taking place in these sectors. Surrounding states have had great success in securing back-office operations, such as customer service centers and credit card processing. Wyoming needs to identify and focus on the proper market opportunities. The movement of Fitch Investor Services to Powell is an example of success.

Regional Alliances -- There is an opportunity to collaborate with surrounding economic centers (Colorado and Wasatch Front Ranges, Billings, Rapid City) that are experiencing uncontrolled growth and to capture some of their buyer/supplier networks, as well as other related services.

Implementation Plan

Wyoming's critical economic situation calls for bold and decisive action. The strategy outlined on the previous pages cannot be brought to life with Wyoming's current economic development structure and programs. Wyoming is not operating on a high enough professional level and financial scale to make a difference in the economy. The fragmentation, lack of program focus, and lack of accountability must be dealt with effectively. Yet, due to the relatively small private sector resources in Wyoming, primary responsibility for implementation must remain with the state. To be effective, the organization implementing the business development plan must be structured and operated much like a private company. This will be a new type of state entity.

What follows is the unanimous recommendation of the Steering Committee for Business Development. This section of the report is divided into six sections:

- *Wyoming Business Council*
- *Regional Operations*
- *Roles and Relationships*
- *Structure and Staff*
- *Budget*
- *Performance Benchmarks*

■ Wyoming Business Council

The recommended structure is a new organization unlike any other in Wyoming's history. The structure will be much like that of a corporation, with a board of directors, a central office, regional divisions responsible for operations, professional performance standards, and real world accountability. Called the "*Wyoming Business Council*," it will be different from state agencies in the following significant ways:

- The Council itself will be a nonpartisan private sector group of 15 business leaders named by the Governor, with advice and consent from the President of the Senate and the Speaker of the House. The Council will function like a corporate board of directors and have policy and budget authority. This business and implementation plan will serve as the basic policy document for the Council. The Governor will sit as non-voting co-chair of the Council, with the co-chair to be elected from the private sector members. Members will be chosen from around the state for their vision, leadership, and business experience; ten will be regional representatives and five will be at-large. The terms will be three years on a staggered basis, with no Council member serving more than two consecutive terms. The Council will be an instrument of the state and operate as an independent authority, but will not possess bonding capacity.
- The Chief Executive Officer will be selected by and report to the Council. The CEO will carry out the policies of the Council, have full power over staff, implement the strategic plan, manage the budget, and direct the day-to-day operations of the Council. The Council will set the specific job description and compensation package.
- The CEO will create, for the Council's approval, operational policies for normal financial accounting procedures, contracting, procurement, purchasing, human resource management, and other functions of the organization.
- The Council will establish a central office and five regional offices based in existing economic centers. The primary function of the central office is to support service delivery within the regions. The primary functions of each regional office are to provide small business services and community enhancement technical assistance and expertise. Their roles are explained in greater detail in the section on regional operations.
- All Business Council employees will be "*at will*" employees, but with access to state benefits and retirement. New job descriptions, salary ranges, and professional performance standards will be prepared for all new positions. Current employees will be encouraged to apply for new positions. All of the state employees currently under the programs to be included in the new Council operations will remain employed during the transition to the new structure.
- In order to consolidate operational authority, the following state boards and authorities will be reviewed and their functions will be assumed by the Council, as appropriate: Economic Development and Stabilization Board; Science, Technology and Energy Authority; Wyoming Travel Commission; Telecommunications Council; Investment Fund Committee; Small Business Development Center Advisory Board; and Mid-

America Manufacturing Technology Center's Industrial Advisory Board and Partner Steering Committee. The Council may appoint advisory councils as it deems necessary and appropriate.

The Department of Commerce's economic and community development functions and tourism and marketing development functions will be assumed by the Council. The existing Division of State Parks and Cultural Resources will become a separate department, and the office of professional licensing boards will be absorbed by another department. Certain economic development staff functions of the Department of Administration's Economic Analysis section may be transferred to the Council. Other state positions may also be transferred to the Council as deemed appropriate.

The Council will have "*partnership*" or contractual arrangements with other governmental entities as required. For example, the University of Wyoming may be a partner for certain development activities, research, training, and communications services. The Department of Employment may be a partner in developing a new delivery system for workforce development funds from all sources. The Wyoming Industrial Development Corporation or its successor may be contracted to assist with select loan programs for small business.

There will be a direct working relationship with such entities as the Public Service Commission, the Oil and Gas Commission, the Workers' Compensation Commission, the University of Wyoming, the Community College System, the Water Development Commission, the Wyoming Community Development Authority, the Department of Environmental Quality, the Department of Transportation, and others.

The Council will need to forge close ties, alliances, and agreements with development organizations at all levels: cities, towns, counties, districts and regions, state and federal. The Council is being formed to reinforce and enable local development groups and developers, not duplicate or supplant them.

Policy and advocacy positions will be carefully researched and presented within the context of the overall plan, their impact on Wyoming's future economy, and the continuing goal of diversification.

The Council will identify legislative issues related to business and regulatory climate for recommendation to the Legislature.

A permanent private sector fund or foundation will be created to assist the work of the Council. Private contributions will be possible to both restricted funds for specific projects and unrestricted funds designed to advance the development of the state.

Regional Operations

~~_____~~ *-size fits all*" policy will not be effective in a state where levels of economic interest and ~~_____~~ *balance* vary widely. To be effective, development services and programs must serve the ~~_____~~ local needs of the people, developers, businesses, and communities of the state.

Regional delivery systems can provide a more customized approach and more immediate delivery of services, and better address the different mix of economic sectors in each area. The initial transition activity will be an assessment of local development plans, needs, and directions.

The committee has identified five regions (see Figure 8) that have economic similarities and are of a size so that the communities can be easily served from a regional office. Analysis shows that 10 counties contain 77% of Wyoming's employment. Those 10 are clustered in 5 groups of 2 counties each in different geographic areas of the state. These counties are, in fact, current economic centers with regional influence. A single city was chosen in each of the areas to be a regional office – that location can be changed, if local officials so desire.

The proposed regional offices are key parts of this implementation plan. The suggested offices would be in Rock Springs (southwest), Casper (central), Cody (northwest), Laramie (southeast), and Gillette (northeast). Each office will essentially operate independently, have its own performance goals, and be evaluated on its own merits. Although not a profit center, each regional office will operate much like a business. Staffing needs and program emphasis may vary from one region to another. For example, the staff serving existing business in the southwest will be stronger in mining and natural gas than Cody, where the expertise would be tourism, agriculture and marginal oil fields. Each office would need to work closely with local development organizations to support local initiatives and avoid service duplication:

- A regional service delivery plan will need to be developed in close cooperation with local officials, development organizations, and the public. State services should complement local efforts.
- The regional office managers will be key conduits to both the central office and the other regional offices. They need to be students of best practices in many fields.
- The small business staff will have complementary expertise in finance, management, and marketing, but they, too, will be focused on the entrepreneurial opportunities of the region.
- The community enhancement staff will be grant specialists, community analysts, planning technicians, and knowledgeable about various state resources.

The Committee acknowledges pre-existing development districts and other multi-county development arrangements. In the future, it would be desirable for all economic development related agencies and analysis to share identical boundaries. Until such reorganization occurs, the Committee recommends focusing upon the suggested regional economic centers as the points of delivery for economic services. The boundaries are not as important as the sound logic and concept of regionalization and local service delivery.

The Legislature — There will be no Wyoming Business Council or effective state development program without legislative support. The willingness of the legislature to support and fund this new effort over time is paramount. Their ability to make law can have powerful effect upon the state's business and regulatory climates and infrastructure. Not only do these men and women represent their districts, but also, collectively, they must be partners to make this plan a reality.

The Council — As the policy body for the state in economic development, this private sector group will be both a sales force for Wyoming and a support group for the program and staff. Their personal relationships both in and out of the state will be very important.

The CEO — This person is the program executive and fully responsible for its success. The CEO must be dynamic, experienced, proactive, and entrepreneurial in thought and action. The CEO must also be a policy maker, problem solver, facilitator, and team builder who guides Wyoming's economic development program.

The Staff — These highly trained, experienced professionals are the implementors. They will be the dedicated people in the field who make this plan come alive all across the state. A variety of complementary business skills will be needed in each regional office.

The Business Community — There will be an unprecedented key role and responsibility for business leadership in Wyoming to engage in the economic development process. Whether supporting legislation, providing loaned executives, funding special projects, or selling Wyoming to prospects, there will be new opportunity for input and involvement.

The Professional Economic and Community Developers — These dedicated individuals, committed to improving their community's future, will be important partners in this plan's success. They will have new resources and technical assistance from the state level and regionally based staff to assist them. Their commitment to excellence and to new skills training is an important part of the state's success.

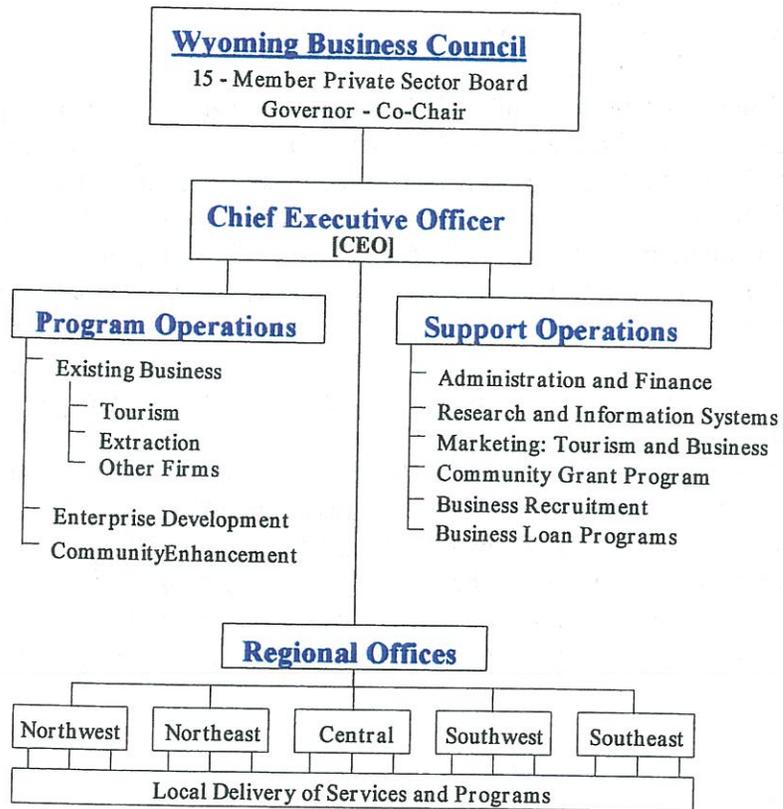
The University and Community Colleges — These post-secondary educational institutions are important partners for the future. Every effort needs to be made to maximize their potential contribution to economic development throughout the state. Wyoming needs as close to a seamless system of education as possible.

The Communities — This is where the plan will succeed or fail. Every effort will be made to provide communities with high quality business services and technical assistance. The Committee sincerely hopes that Wyoming's communities will welcome this new effort and work hard on a regional basis.

The Wyoming Business Council will need assistance from many sources. A cooperative spirit needs to be created across many organizational lines. The Council's staff will need to be proactive with other state and local entities, and both the non-profit and for-profit sectors. Key alliances will need to be formed with groups such as the Wyoming Economic Development Association, the Wyoming Chamber of Commerce Executives Association, the Wyoming Association of Municipalities and the Wyoming Association of County Officials.

■ Structure and Staff

Figure 9: Wyoming Business Council Organizational Chart



The Council will operate as a corporate board of directors, with the CEO having operational control. The structure is very much a corporate model, not a state government bureaucracy. The entire central office and its staff are designed to act in support of the programs in the regional offices. Each regional office will be an operational center for its surrounding service area. A majority of the staff will be located in the regional offices. Statewide marketing and recruitment efforts will be delivered from the central office, while all other primary programs will be delivered at the regional level.

Central Office

- CEOs Office
- Recruitment
- Existing Business and Enterprise Development Support
- Community Enhancement Support
- Administration and Finance
- Research and Information Systems Support
- Marketing: Tourism and Business Image
- Business Loan Program
- Community Grant Program

The Wyoming Business Council staff will be a hard-charging group of experienced and highly trained professionals. Motivated to create a better life for all of Wyoming's citizens, this new team will provide leadership, expertise, and continuity to the state's improved economic development effort. This organization is designed to operate on a sufficient scale to be effective and to move the economy forward. The new Wyoming Business Council will require an expanded staff from the approximately 60 people in all areas of economic development currently in state government.

The central office, located in Cheyenne, will provide direction and support functions for the regional offices. Staff members will serve in multiple capacities, and the artificial barriers between business units will be eliminated. For example, the marketing staff will serve tourism, enterprise development, and recruitment. The research and information systems division will serve all programs, as will finance and administration. The existing business staff will support tourism needs, serve as advocates for the extraction industry, and work with other existing firms in manufacturing and other sectors. A very experienced, high caliber, financial analyst will serve all interests as a "deal closer" to structure and finalize complex development transactions.

Regional Offices

- Manager
- Existing Business Staff
- Enterprise Development Staff
- Community Enhancement Specialists
- Administration and Support

The regional offices will differ slightly based on the economic mix of the area, but all will serve existing business, enterprise development, and community enhancement. Each regional office will have specific staff skills as determined by the assessment of the regional economy. A key function of the offices will be to provide financial expertise, research and information, and technical assistance to the communities.

Principal Programs

Key Operational Programs

- Entrepreneurship/Enterprise Development
- Community Enhancement
- Existing Business

Operational Programs

- Recruitment
- Executive Office
- Support/Regional Managers

Support Operations

- Research and Information Systems
- Marketing: Tourism and Business
- Administration and Finance

An increased commitment to business development is witnessed by the expansion of the three principal program areas: enterprise development, community enhancement, and existing business. All three areas will have much greater staff resource and support than ever before. In terms of size of staff, the highest commitment goes to regional operations, followed by the central office.

■ Budget

Before the Committee proposes a new budget for the Wyoming Business Council, it is useful to examine our current investment. The state appropriation to the Division of Economic and Community Development within the Department of Commerce is the smallest in the United States. However, size does not tell the whole story. Wyoming's primary economic development effort is split among five different groups, and that fragmentation is a basic structural problem. The staffs, the structure, and the budgets are not mutually supportive and need to be consolidated. The following page summarizes the Fiscal Year 1997 budgets of those entities.

FY 1997 Total Economic Development Expenditures

State Programs:

Travel, Tourism and State Marketing

General Fund (state)	
Staff and Support	\$ 1,327,689
Advertising, Promotion and Printing	\$ 2,585,237
TOTAL	\$ 3,912,926

Department of Community and Economic Development

Federal Funds	
Community Development Block Grant and Energy Funds	\$ 2,819,000
Special Funds	\$ 210,000
General Fund (state)	\$ 990,855*
TOTAL	\$ 4,019,855

*\$200,000 for the SBDC program is shown in this budget.

Science Technology and Energy Authority

General Fund (state)	
Administration and Personnel	\$ 238,450
Strategic Initiatives and Small Business	\$ 950,000*
TOTAL	\$ 1,188,450**

*An additional \$102,000 for MAMTC is shown in this budget.

**This accounting does not include the Federal pass-through funds from the National Science Foundation, Department of Energy, and Environmental Protection Agency grant programs appropriated to STEA and administered by the University of Wyoming (totaling \$ 4,741,000).

Federal Programs Partially Funded by the State, but administered by the University of Wyoming:

Small Business Development Center

Federal Funds	\$ 251,147
Wyoming State Government (DECD)	\$ 200,000*
University of Wyoming	\$ 47,858
Special – In-Kind Match	\$ 12,734
TOTAL	\$ 511,739

*These amounts originate in state agency budgets and are not reflected in the totals below.

Mid-America Manufacturing Technology Center

Federal Funds	\$ 553,582
General Fund (from STEA and DECD)	\$ 276,791*
Special – In-Kind Match	\$ 276,791
TOTAL	\$ 1,107,164

*These amounts originate in state agency budgets and are not reflected in the totals below.

TOTALS FOR ALL FIVE STATE & FEDERAL PROGRAMS

State Funds	\$ 6,416,880
Federal Funds	\$ 3,623,729
Special/In-Kind Funds	\$ 499,525

TOTAL FY 1997 FUNDING

\$10,540,134

Proposed Business Council Budget

It is difficult to directly compare the existing state budgets with that of the new Wyoming Business Council. Administration is streamlined, support personnel will serve multiple business functions, marketing will be expanded, but serve both tourism and business, and there are new operations such as research and recruitment.

The recommended structure requires an exercise much like the creation of a new company. The budget reflects the new strategic components and operational priorities. As with any startup company, particularly one with major regional operations overhead, there are significant one-time start-up transition expenditures. Since the state budget cycle requires a two-year commitment, the differential between the two years will be explained.

One-Time Startup Funds

The establishment of a new central office and five regional offices will require a variety of expenditures related to rent, equipment, personnel search and placement, project moving and travel expenses, auto leases, and miscellaneous materials and supplies. Current operations will continue while transition occurs, effectively doubling some costs for a short time. Regional needs assessments and capital needs assessments will also require funds. Some state furniture and equipment donations are expected; and local communities, the University, and community colleges may also offset office expenses to an unknown degree.

TOTAL START-UP EXPENSE **\$ 2,150,000**

Operational Budget:

Program

Enterprise Development	\$ 1,130,000
Existing Business	\$ 1,130,000
Community Enhancement	\$ 1,050,000
Recruitment	<u>\$ 650,000</u>
SUB-TOTAL	\$ 3,960,000

Administration and Program Support

CEO and Staff	\$ 300,000
— Finance and Administration	\$ 625,000
Research and Information Systems	\$ 500,000
Communications and Marketing	\$ 5,500,000
Regional Managers and Office Staff	<u>\$ 975,000</u>
SUB-TOTAL	\$ 7,900,000

Community Development Block Grant and Energy Funds **\$ 2,819,000**
(Federal – approximate)

FIRST YEAR TOTAL EXPENDITURES **\$16,829,000**

Sources of Funds: This budget assumes the full utilization of all federal and state funds from the FY97 budget. Given that assumption, the new Wyoming Business Council budgetary sources are as follows:

<i>State Funds</i>	\$ 12,705,749
<i>Federal Funds</i>	\$ 3,623,729
<i>Special/In-Kind Funds</i>	<u>\$ 499,522</u>

FIRST YEAR TOTAL SOURCES OF FUNDING **\$16,829,000**

Actual state general funds required will total \$12.7 million per year; a net increase of \$6.3 million per year. The Committee believes that the Council will require the full \$25.4 million in state funds over the two year biennium budget cycle.

The amount of funds budgeted for start-up activities in Year One (\$2,150,000) will, in Year Two, be budgeted to enhance programs, hire staff, or fund special needs such as the Wyoming Economic Development Fund. This incentive fund may be created first by executive order and then confirmed by statute the following year.

Performance Benchmarks

The public demand for accountability in economic development has never been more pronounced. The use of objective and relevant benchmarks to communicate progress to a broad and diverse constituency has become a necessity in today's economic development environment. Performance monitoring and benchmarks have additional benefits: positive trends can be duly recognized, and negative trends can be acted upon and reversed. The Committee cautions that patience must be exercised: it took decades for our economy to evolve to where it is today, and it will take time to intervene effectively, reverse negative trends, and stimulate a healthy economy.

The indicators presented are chosen because they meet the following criteria:

- Objective, unbiased, and not easily manipulated.
- Reflect a fundamental element of the economic health of the state.
- Accepted by the citizens of Wyoming as a valid sign of progress or an indicator of concern.
- Statistically measurable and preferably comparable to other states, regions, and cities.

This suggested list of performance indicators is not meant to be exhaustive, but should be considered the minimum needed to accurately gauge the progress and success of the recommended strategy.

The areas to benchmark are divided into three broad categories and are summarized below. Detailed explanations of each may be reviewed in Appendix A.

■ Operational Benchmarks

These measures address the effectiveness of the four operational strategies and traditionally rely on program throughput and activity:

- ◆ Existing business and recruitment:
 - Number of companies in identified retention programs
 - Jobs created/retained and capital investment from recruited/retained companies
 - Percentage of new employment in technology-based industries
 - Total increases in tourism spending
 - Average length-of-stay increases

- ◆ Entrepreneurship/enterprise development:
 - Number of new business starts
 - Number of existing firms being assisted/enrolled in identified programs
- ◆ Community enhancement:
 - Communities/regions with comprehensive plans in place
 - Dollars of grant assistance procured

■ Economic Performance Benchmarks

These measures translate the efforts of the business strategy into economic terms that are meaningful to the entire state:

- Per capita personal income levels
- Number of primary jobs created
- Sector growth in primary industries
- Exports per capita
- Average earnings per job
- Fiscal stability and balanced revenue
- Male/female wage rate disparity

■ Quality of Life Benchmarks

These measures reflect the concept of Quality of Life as related to the economy:

- ◆ Workforce skills and education
 - Average proficiency scores in mathematics and reading
 - High school completion rate
 - Employer evaluation of new hires
- ◆ Community Health and Safety
 - Percent of population below poverty
 - Primary school enrollment rates
 - Infant mortality rate
 - Crime rate
 - Air quality
- ◆ Land Use
 - Number of counties with comprehensive land use plans
 - Annual service satisfaction rating of Bureau of Land Management, U.S. Forest Service and National Park Service.

Conclusion

Nearly every economic indicator suggests that Wyoming's economy is falling behind the region and nation. Reversing this trend will not be easy. Wyoming must resolve to intervene and invest wisely in its economy.

This plan represents a radical departure from the traditional manner of delivering government services. It suggests that government has a responsibility to look out for the economic welfare of its citizens and that the most effective manner in which to do so is via a private sector model. By emulating the corporation in structure and performance, Wyoming can provide more effective leadership and a greater return on investment in its economic development initiative.

This strategy requires that all of us commit to serve Wyoming and the common good. This state needs a unity of purpose and resolve that goes beyond election cycles. A firm new commitment to private-public partnership, to collaboration, and to continuity is required.

By adopting this plan, Wyoming is taking a long-term view to build a proactive economic development program with commitment to goals and outcomes and quantitative performance measures. The strategy is holistic and includes governmental, private, and nonprofit resources.

There is legislation to write and pass, programs to create and fund, and coalitions and partnerships to build. Now the work begins.

A wise man once said, *"Don't be afraid to take a big step if you need to -- you can't cross a chasm in two small jumps."* Wyoming needs to take a big step.

Appendix A: Suggested Benchmark List and Component Detail

Operational Benchmarks

■ Existing Business and Recruitment

Numbers of companies enrolled in identified retention programs:

Definition: Participating organizations (MAMTEC, SBDC, other existing business program providers, and state-sponsored recruitment programs) client-based activity
Comparison: Previous years
Reference: Not previously measured
Source: Participating organizations

Jobs created/retained and capital investment from recruited/retained companies:

Definition: Participating organizations and tracking of those companies "saved" and those recruited to the state. Jobs by industry, wage rates, capital investment, and state-level multipliers will be reported, all of which are needed to determine economic impact. Economic impact can then be used to determine the return to the state on dollars invested in the program
Comparison: Previous years
Reference: Not previously measured
Source: Participating organizations

Percentage of new employment in technology-based industries:

Definition: Based on yet to be determined target industries, percent of those industries to total employment
Comparison: Previous years
Reference: Not previously measured
Source: Participating organizations

Total increases in tourism spending:

Definition: Total direct expenditures by all visitors for calendar year
Comparison: Previous years
Reference: \$904,316,000 in 1995²⁹, \$1,130,000,000, ranked 3rd per capita in 1994³⁰
Source: Suggest annual update of University of Wyoming/Morey Study

Average length-of-stay increases:

Definition: Average length of stay within the state
Comparison: Previous years
Reference: 4.8 days in 1995
Source: Annual update of University of Wyoming/Morey Study

■ **Entrepreneurship/Enterprise Development**

Number of new business starts:

Definition: Number of new companies applying for new employer identification numbers per 1,000 employees
Comparison: Previous years, other states
Reference: Ranks of 8th in 1994³¹, 4th in 1995³²
Source: U.S. Department of Labor, U.S. Census

Number of existing firms being assisted/enrolled in identified programs:

Definition: Participating organizations (SBDC, loan program administrators, regional offices) client-based activity
Comparison: Previous years
Reference: Not previously measured
Source: Participating organizations

■ **Community Enhancement**

Communities/Regions with comprehensive plans in place:

Definition: Number of counties or regions with current comprehensive plans
Comparison: Previous years
Reference: Not previously measured
Source: Participating regions/counties

Dollars of grant assistance procured:

Definition: Federal spending for grants that help state and local government finance welfare, Medicaid, highway construction, etc., on a per capita basis
Comparison: Previous years, other states
Reference: Ranked 2nd in 1995 at \$748 million
Source: U.S. Census

Economic Performance Benchmarks

Per capita personal income levels:

Definition: Total personal income divided by population. This measure is the most universally accepted indicator of economic health in the long-term.

Comparison: Previous years, other states, and national average

Reference: Ranked 35th in 1996 at \$21,245, 87.7% of the U.S. average

Source: U.S. Department of Commerce

Number of primary jobs created:

Definition: Annual jobs created in farming, mining, manufacturing, wholesale, transportation, and federal and military employment

Comparison: Previous years, other states

Reference: 1985 to 1994 average annual increase of 2.3%, ranked 50th

Source: Bureau of Economic Analysis

Sector growth in primary industries:

Definition: Percent of total employment in the mining, manufacturing, wholesale, and transportation sectors to total employment

Comparison: Previous years, other states

Reference: 19.27% in 1993 to 18.8% in 1995

Source: Bureau of Economic Analysis

Exports per capita:

Definition: Value of exports of goods and services divided by population

Comparison: Previous years, other states

Reference: \$411 million in 1995, ranked 41st

Source: U.S. Department of Commerce

Average earnings per job:

Definition: Total wage and salary earnings divided by wage and salary jobs

Comparison: Previous years, other states

Reference: \$22,665 in 1994

Source: Bureau of Economic Analysis

Fiscal stability and balanced revenue:

Definition: An indexed value based on taxes, reserves, and breadth of tax base

Comparison: Previous years, other states

Reference: Ranked 48th in 1996

Source: Corporation for Enterprise Development³³

Male/female wage rate disparity:

Definition: A comparison of wages received for comparable work

Comparison: Previous years, other states

Reference: 50th in 1996

Source: Wyoming Department of Employment; U.S. Department of Commerce

Quality of Life Benchmarks

■ Workforce Skills and Education

Average proficiency scores in mathematics and reading:

Definition: Average 8th grade math and 4th grade reading scores
Comparison: Previous years, other states
Reference: 8th in math in 1992, 9th in reading in 1994
Source: Digest of Education Statistics

High school completion rate:

Definition: Percent of those completing high school or equivalent
Comparison: Previous years, other states
Reference: 91.6% in 1994, ranked 13th
Source: Department of Education

Employer evaluation of new hires:

Definition: A statistically valid sampling of employer evaluations of those hired within the last year
Comparison: Previous years
Reference: Not previously measured
Source: Regional offices yet to be created

■ Community Health and Safety

Percent of population below poverty:

Definition: Percent of population living in households with income below federally established levels
Comparison: Previous years, other states
Reference: 13.3 percent, ranked 27th in 1995
Source: U.S. Department of Commerce

Primary school enrollment rates:

Definition: Growth rate of total enrollment in kindergarten through 8th grades
Comparison: Previous years
Reference: -9% from 1985 to 1996
Source: State Department of Education

Infant mortality rate:

Definition: Rate of infant deaths under one year of age per 1,000 live births. This measure correlates highly with the health of the mother, accessibility to medical care, and capacity/affordability of medical treatment, and is considered one of the best comparative health measures available.

Comparison: Previous years, other states

Reference: 8.9 in 1995, ranked 11th

Source: Centers for Disease Control

Crime rate:

Definition: Total crime rate as defined by the uniform crime reporting system of the U.S. Department of Justice

Comparison: Previous years, other states

Reference: 4,290 per 100,000 population in 1994, ranked 36th

Source: U.S. Department of Justice

Air quality:

Definition: Score according to the degree to which state residents live in areas that exceeded ambient air quality standards for ozone and/or carbon monoxide

Comparison: Previous years, other states

Reference: Score of 0.00 for 1994, ranked 1st

Source: Environmental Protection Agency

■ **Land Use**

Number of counties with comprehensive land use plans:

Definition: Number of counties by region with comprehensive land use plans

Comparison: Previous years

Reference: Not previously measured

Source: Participating regions/counties

Annual service satisfaction rating of Bureau of Land Management, U.S. Forest Service, and National Park Service:

Definition: Rating of policy, operation, and resident satisfaction of above organizations

Comparison: Previous years

Reference: Not previously measured

Source: Participating regions

Footnotes

-
- ¹ Congressional Quarterly's State Fact Finder, 1997 Congressional Quarterly.
 - ² Where the Money Is...America's Strongest Local Economies, William H. Fruth, Policom Corporation.
 - ³ Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.
 - ⁴ IBID.
 - ⁵ IBID.
 - ⁶ IBID.
 - ⁷ Internet, Bureau of Economic Analysis, U.S. Department of Commerce.
 - ⁸ Wyoming Department of Employment.
 - ⁹ Ibid.
 - ¹⁰ Ibid.
 - ¹¹ Ibid.
 - ¹² Ibid.
 - ¹³ Ibid.
 - ¹⁴ U.S. Department of Labor, Bureau of Statistics.
 - ¹⁵ The Annual Report Card of the States, 1997, Corporation for Enterprise Development
 - ¹⁶ Wyoming Department of Labor.
 - ¹⁷ Wyoming Department of Employment; U.S. Department of Labor.
 - ¹⁸ Wyoming Department of Labor.
 - ¹⁹ Ibid.
 - ²⁰ Division of Education.
 - ²¹ Division of Education; U.S. Census Bureau.
 - ²² Ibid.
 - ²³ Ibid.
 - ²⁴ Ibid.
 - ²⁵ Wyoming Geological Survey.
 - ²⁶ Ibid.
 - ²⁷ 1997 Development Report Card for the States, Corporation for Enterprise Development.
 - ²⁸ State Auditor's Office, Consensus Revenue Estimating Group.
 - ²⁹ University of Wyoming/Morey and Associates Study.
 - ³⁰ Travel Industry Association of America.
 - ³¹ CFED.
 - ³² Congressional Quarterly State Fact Finder.
 - ³³ CFED.

