



ROY COOPER  
*Governor*

ANTHONY M. COPELAND  
*Secretary*

June 23, 2017

Ms. Kristi Jones  
Chief of Staff  
Office of Governor Roy Cooper  
1 East Edenton Street  
Raleigh, NC 27601

Dear Kristi:

Now that the final budget has passed the legislature, I wanted to make you aware of a few key policy concerns that will affect the Department of Commerce. As the agency responsible for improving the economic well-being and quality of life of all North Carolinians, we have five main areas of concern.

1. One of the most important ways to assist rural parts of the state be prepared for economic development opportunities is to help communities **prepare sites for industrial development**. While some funding is available through the Utility Account funded by Job Development Investments Grants made to urban areas of the state, we believe more support is needed. The budget creates the NC Ready Sites program that helps local communities support public infrastructure investments needed to develop industrial sites that will be competitive, but the \$2 million appropriated is not enough to make a meaningful impact to rural communities.
2. A second fundamental infrastructure need in rural parts of the state is to **expand broadband access**. High-speed internet access is critical to help these areas compete in a global economy and without significant support to provide service in underserved areas or to fill gaps in service, this issue will remain a challenge for private providers. Given the focus on this issue, we were very surprised there was no support provided to fund the many projects that have already been identified as candidates for this support.

3. Supporting and **revitalizing our downtowns** is critical to ensuring strong communities, especially in rural parts of the state. The state's Main Street program provides support to nearly 100 communities across the state, is based on a national model and has a time-tested approach to ensuring local engagement in solutions for main streets across the state. Only \$500,000 was appropriated to support investments in the communities that participate in this program.
4. **Encouraging innovation and supporting small businesses** is an important way for the state to diversify its growth and leverage the amazing technologies coming from our world-class research universities in the state. The One NC Small Business program provides grants to small businesses to match federal grants those businesses have won from federal agencies (e.g., DOD, NIH, NSF) through a highly competitive, merit-based process. The state grants leverage the federal funds and provide the small businesses the flexibility they need to develop and commercialize innovative new technologies that will create new industries, increase the number of high-paying jobs across the state, and improve our quality of life. Since 2006, the program has been responsible for helping more than 240 small businesses in 45 cities and 25 counties bring to market hundreds of ag-tech, biotech, nanotech, medical tech, computer software, military/defense tech, pharmaceuticals, textiles, and other high-tech products. The Governor's budget recommended \$3 million for the program. Without continued funding for this program, its impact will end.
5. The budget bill **transfers the apprenticeship program** to the Community College System Office. This provision of the budget was developed without any input from or discussion with the Department of Commerce. Apprenticeships are a key strategy for helping to develop a sustainable and high-quality talent pipeline for businesses in North Carolina. The program also helps individuals gain the skills and experience for in-demand occupations with family sustaining wages. As the primary agency that works directly with businesses across the state, the program may be best situated in the Department of Commerce. The program was moved to the Department a few years ago. A study to understand all the issues before another move would be appropriate.

Please let us know if you have any questions or need any additional details about these policy concerns.

Sincerely,



Anthony M. Copeland