Report of the Canadian Parliamentary Delegation respecting its participation at the Annual Meeting of the Southern Governors' Association (SGA)

Canada-United States Inter-Parliamentary Group

St. Louis, Missouri, United States of America
15–16 October 2015

Report

DELEGATION MEMBERS AND STAFF

From 15–16 October 2015, Senator Percy Downe represented the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG) at the 2015 annual meeting of the Southern Governors' Association (SGA) in St. Louis, Missouri.

THE EVENT

Founded in 1934, the SGA is the oldest of the regional governors' associations and has a long history of promoting the common interests of the governors of the 16 U.S. southern states (see the Appendix), as well as the U.S. Virgin Islands and Puerto Rico. The SGA provides a bipartisan forum in which to help shape and implement national policy, as well as to solve regional problems, improve the quality of life of residents of the U.S. South, and secure an economically vibrant and prosperous American South.

Each year, the SGA holds an annual meeting. The 2015 annual meeting was focused on the theme of "The Future of Work in the American South."

DELEGATION OBJECTIVES FOR THE EVENT

The Canada–United States IPG aims to find points of convergence in respective national policies, to initiate dialogue on points of divergence, to encourage the exchange of information, and to promote better understanding among legislators on shared issues of concern. In addition to regular meetings with their federal counterparts, members of the Canadian Section of the IPG attend national and regional meetings of governors.

ACTIVITIES DURING THE EVENT

During the 2015 annual meeting, the SGA held the following sessions:

- Opening Presentation: Predicting the Future of Work
- Roundtable Discussion: Implications for the Future of Work
- Issue Highlight: A Market Perspective on Renewable Energy
- Best Practice Highlight: Expanding Participation in Coding and Computer Science
- Policy Session: Understanding the Rural Health Care Landscape
- Closing Town Hall Discussion.

This report summarizes selected presentations that were made at the 2015 annual meeting.

ROUNDTABLE DISCUSSION: IMPLICATIONS FOR THE FUTURE OF WORK

Moderator: **Ted Abernathy**, *Economic Policy Advisor to the SGA*

- John M. Keynes invented the phrase "technological unemployment," which means the replacement of jobs by technology.

- Within the next 20 years, it is expected that the U.S. South will lose about 9 million jobs because of technological change.
- Although technological change will lead to some job creation, the workers who are displaced are unlikely to have the required skills to perform those jobs.

Governor Steve Beshear, *Governor of Kentucky*

- It is important for governments to form partnerships with the business community.

Eric Seleznow, *U.S. Department of Labor*

- Workforce and skills training "follow demand."
- Skills and competencies are more important than education and degrees.
- Apprenticeships are like a college degree, except that the debt is less.

Charles Fluharty, *Rural Policy Research Institute*

- The notion of "education" needs to go beyond "training."
- STEM – science, technology, engineering and mathematics – needs to become STEAM – science, technology, engineering, arts and mathematics.
- Rural areas need high-speed broadband; without it, "nothing else will matter."

Chris Masingill, *Delta Regional Authority*

- The notion of "education" needs to go beyond kindergarten through grade 12; it needs to include getting a job.

Deborah Lyons, *ACT*

- Technological change will be like the Industrial Revolution, except that it will be much faster.
- There are four skill areas that are likely to be key in the future; they are:
  - ➢ personal skills, such as integrity;
  - ➢ people skills, such as teamwork;
  - ➢ applied technology skills, such as applied mathematics; and
  - ➢ workplace skills, such as decision making.

Michael Walden, *North Carolina State University*

- Although 50 years from now truck drivers may not be needed, they are needed now; the demand for truck drivers exceeds the supply of individuals with the required skills.
- The unemployment benefits system is helping in situations of temporary job loss.
- Although the nature of current technology – including robots and driverless cars – is unprecedented, the replacement of human labour by machines is not.

- The vulnerability of jobs entailing "routine tasks" to being replaced by technology means that low-wage jobs are particularly threatened.
- Education and training systems must be prepared to adapt to technological change.

ISSUE HIGHLIGHT: A MARKET PERSPECTIVE ON RENEWABLE ENERGY

Moderator: Ken Nemeth, *Southern States Energy Board*

- Overall, the demand for electricity in the southern United States has remained flat.
- Natural gas prices continue to be low, and the cost of renewable energy has fallen dramatically in recent years.

Christopher Hagedorn, *Peabody Energy*

- Coal has an important role to play in providing "clean," low-cost power, and in global energy markets.
- The U.S. Environmental Protection Agency's Clean Power Plan can be damaging to the economy, as well as to economic development and security.

Jeffrey Price, *Bluewave Resources, LLC*

- The current complex nature of the United States' electrical sector, with its interdependent and overlapping functions and jurisdictions, make accurate predictions difficult.
- New and improved technologies, in terms of both supply and use of electricity, are being developed.
- Flexibility is important for responding to technological change and for securing the electrical grid.
- Energy market issues have evolved over time; for example, affordability and reliability were traditionally important issues, but security became important after 1973, safety and environmental considerations became more prominent after Three Mile Island, and resilience and job creation have become more significant in recent years.
- Historically, the United States' electrical sector was much simpler, and individual utilities "conducted their own business."
- The electrical sector, which is often considered to be a technological sector, is really a commodity sector, with the associated unpredictability.
- The number of "prosumers" – consumers of electricity who also produce electricity – is rising.
- Co-generation is promising, but it is likely to be only a niche opportunity.

Brad Viator, *Edison Electric Institute*

- Environmental regulation is currently a key reason for expenditures; more efficient capacity is being constructed and legacy systems are being retrofitted.

- Today, the price of natural gas is less than one third of the 2008 price, and gas-fueled plants are relatively less expensive to build.

- The cost of solar generation is falling, and 60% of solar generation is large scale, or "utility scale."

- The requirement for cyber/grid security, including the protection of customer information, is growing.

- Concurrent with the need for security is growth of the "smart grid"; much more information will be travelling both ways.

- Co-generation, which involves "harnessing" the heat from electricity generation, is a promising field.

Governor Steve Beshear, *Governor of Kentucky*

- Three considerations are important in relation to future energy plans: the cost to individuals; the cost to businesses; and the effect on the environment.

- Coal will always be an important sector, but it will never again employ as many people as it once did.

- Natural gas is likely to be the next focus of regulatory activities; when combined with market forces, this focus is likely to put upward pressure on price.

BEST PRACTICE HIGHLIGHT: EXPANDING PARTICIPATION IN CODING AND COMPUTER SCIENCE

Moderator: **Linda Hoke**, *Consortium of University Public Service Organizations*

- In the "computing workforce," women and minorities are underrepresented.

Hadi Partovi, *Code.org*

- In the past, if someone did not want a job "flipping burgers" or driving a truck, he/she had to learn about technology; soon, technology will be displacing those jobs.

- People assume computer science education is a booming field; in fact, it is only starting to recover from a 10-year decline.

- In the United States, over the next 10 years, there will be 1.4 million job openings in computing, and 400,000 graduates in computer science.

- STEM education is not a panacea, and 70% of Americans do not know what the initialism means.

- About 67% of all new jobs in the STEM fields are in computing, but 8% of STEM graduates have studied computer science.

- Computer science is not "vocational"; instead, it is "foundational."

- About 90% of U.S. parents want computer science to be taught in schools, but 25% of schools do so.

- An increasing number of U.S. states are accepting computer science credits as part of the math and science requirements for high school graduation.

- In the past, computer science courses were not an attractive option for students; however, the "super-nerds" of yesterday are the billionaires of today.

- The least expensive way to increase the number of computer science teachers is to retrain existing teachers; the cost for retraining would be $5,000-$10,000, while the cost of training someone who is not already a teacher would be $120,000.

- While computer languages "come and go," the underlying concepts are stable and are transferrable.

Anthony Owen, *Arkansas Department of Education*

- There are three "buckets" in computer science education: programming/coding; information security; and networking/infrastructure.

- The biggest hurdle to making computer science courses more available is a shortage of qualified teachers.

- States need a multi-state education/certification system for computer science teachers.

- "Computer science" cannot be regarded as being separate from other courses; computers play a part in all subject areas.

Cheryl Schrader, *Missouri University of Science and Technology*

- Computer science is the only STEM field in which the number of women receiving undergraduate degrees is rapidly decreasing.

- In addition to teaching students, educators must receive instruction as well.

- Lifelong learning, or "K through gray," is needed.

- There is a need to produce a technically literate citizenry that is prepared for careers that have not yet been imagined using technologies that do not yet exist.

- Computer science is foundational, and developing the related thought processes can be more important than acquiring the particular skills.

- Existing teachers need to be trained in computer science.

Brendan Lind, *LaunchCode*

- The goal is not simply to find jobs for people; it is to find people to do jobs.

- According to the U.S. government, by 2020, about 1 million computer programming jobs will be unfilled.

- People get jobs through who they know, where they have worked in the past and their college degree.

- There are valuable human resources that are currently untapped.

POLICY SESSION: UNDERSTANDING THE RURAL HEALTH CARE LANDSCAPE

Moderator: Chris Masingill, *Delta Regional Authority*

- Health care can be an economic development strategy.

- When attempting to attract investment, health care is becoming as important as education.

- In the last five years, 38 hospitals in the 16 SGA states have closed, and another 283 hospitals are vulnerable to closure.

- In rural America, the family care physician is "everyone," including a specialist.

- Of the 252 counties and parishes in the Delta Regional Authority, seven are not considered to be medically underserved.

Charles Fluharty, *Rural Policy Research Institute*

- Rural areas are experiencing demographic, medical and financial challenges.

- Increasingly, Medicare payments are tied to the quality of service.

- In relation to health care, there are three overall goals: improved care; "smarter" spending; and healthier people.

- A "high-performance" health care system is needed, and this system should be: affordable; accessible; of high quality; community-based; and patient-centred.

- Local training is important; for example, a nurse who is trained at a community college will likely spend his/her entire career within 30 miles of that college.

- Emergency care has to be sustained, but increased emphasis should be placed on trying to keep "conditions" from becoming emergencies.

- Regarding health care, a common vision and strong leadership are important.

Andrew Bazemore, *American Academy of Family Physicians*

- Primary care is the foundation of an effective health care system, and is essential to achieving the objectives that constitute value in health care.

- Improved access to primary care, such as to physicians' offices, results in lower overall health care costs, as medical problems are treated before they require hospitalization.

- For a given 1,000 people, over the course of a month, 800 will experience a symptom of some sort, 327 will consider medical care and 113 will visit a primary care physician.

- About 6-7% of health care funding goes to primary care; the majority goes to large hospitals, which are "too far down the pipeline."

- In Australia, about 22-30% of health care funding goes to primary care.

- In the coming years, three factors will lead to an increased demand for primary care: a growing population; an aging population; and an increasingly insured population as a result of the *Affordable Care Act.*

- More primary care is necessary if the goal is to achieve health, rather than just more health care.
- As is the case with nurses, doctors who receive their medical training in rural areas are more likely to remain in those areas, and forgiving loans for new doctors who locate in rural areas is "necessary, but not sufficient."
- Health care is a community imperative.

Zane Yates, Centene Corporation

- As with the rural health care system, the overreliance on specialists puts stress on the urban health care system.
- Emergency room care should be provided in cases of emergencies, and should not be used as a substitute for primary care.
- Emergency care is the most costly form of health care.
- The situation in relation to rural physicians is a vicious cycle; when one of these physicians moves to practise in an urban area, the workload on the physicians who remain rises, which tempts them to move to an urban area, etc.

Respectfully submitted,

Hon. Janis G. Johnson,
Senator, Co-Chair
Canada–United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada–United States
Inter-Parliamentary Group

Appendix

States in the Southern Governors' Association

Alabama	Missouri
Arkansas	North Carolina
Florida	Oklahoma
Georgia	South Carolina
Kentucky	Tennessee
Louisiana	Texas
Maryland	Virginia
Mississippi	West Virginia

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Annual Meeting of the Southern Governors' Association (SGA)
DESTINATION	St. Louis, Missouri, United States of America
DATES	15–16 October 2015
DELEGATION	
SENATE	Hon. Percy Downe, Senator
HOUSE OF COMMONS	
STAFF	
TRANSPORTATION	$2,428.33
ACCOMMODATION	$ 507.87
HOSPITALITY	$ 0.00
PER DIEMS	$ 202.55
OFFICIAL GIFTS	$ 0.00
MISCELLANEOUS / REGISTRATION FEES	$2,322.08
TOTAL	$5,460.83