

Building a 21st Century Workforce: Victor Chang, Small Business Association of Ohio (SBAO), President

Senator Haskins has been “your guy” for decades. She’s always advocated for small business, even when others in her party haven’t. You’ve enjoyed supporting her legislation, have been happy to recommend to the SBAO Board an “A” rating (which she has received for the past ten years), and have enjoyed working together to make sure small business owners have a voice, and she has the support of your small business owners. The partnership has worked well.

However, you’ve been really feeling the squeeze recently. The former President’s healthcare policy has unfortunately increased costs to a lot of folks in your Association. A lot of good, hardworking, mom and pop-type shop owners have considered closing down under the crippling costs. Members of your Association have started putting pressure on you about Senator Haskins’ support for national healthcare. At the end of the day, they’re seeing their bottom lines decrease. But you know that these folks are hurting now and a national fight on healthcare could take years. You’re hesitant to put the pressure on Senator Haskins since she has been such a consistent ally throughout the years, but if, at the time of the next election cycle, you can’t point to some tangible wins for small businesses who have been hurting, you know you won’t be able to recommend another “A” rating.

Despite this, you’re looking forward to meeting with Senator Haskins today on what you hope will be another piece of exciting legislation to help your Association. You know she has been working on legislation that will support local businesses and retrain displaced workers in Rust Belt States: Building a 21st Century Workforce. Ohio has been hit particularly hard by the exodus of American manufacturing jobs. It has been hard for these workers to find new work and, from the perspective of members of your association, nearly impossible to hire them because they lack the skills needed. They need training, and you’re glad Congress is finally tackling this.

You know that Senator Haskins has been trying to secure specific funds for community training grants in Ohio. You know she’ll want your support on the piece of legislation, and you know your support is very important to her. You’ve been working to determine the right number, and have found that the minimum amount for the grant to be effective would be used as follows:

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\$3 million – Hiring staff and workers to run the trainings

To cover the territory of Ohio, and to make sure that these statewide trainings are done properly and effectively, this is the minimum that can be given to this piece of the training. While your staff says you don't need more than the \$3 million, additional funds here would be useful.

\$2 million – Building partnerships, identifying workers, and establishing the program

Your team has identified that often the most overlooked piece of training programs is in the building partnerships and establishing the program phase. Further, you have found that often grant proposals underestimate how expensive this will be. \$2 million is the bare minimum needed for this piece.

\$10 million – Operational costs of running the program

Running this program will be expensive. The two most essential costs here are the facilities and the cost of a modest stipend while workers are undergoing training.

\$5 million – Incentives

It's essential to incentivize small businesses to hire these workers and, because retention has been a real problem in the past, continue to employ these workers. A \$2,500 incentive could be given to small businesses after two employees reach their 12-month mark, and then another \$2,500 after two employees reach 24 months of employment. \$5 million would cover 2,000 workers for two years – roughly the number you expect to be continually employed through these programs. Not only does this incentivize small businesses to hire workers, it helps you to find a way to make up for the rising healthcare costs. You know that replacing the current healthcare system will take a long time, so you are looking to get money in the pockets of small business owners quickly.

In sum, you must receive at least \$20 million for the community training grant in Ohio but you are hopeful that Senator Haskins' team has come up with a package of at least \$25 million. Your staff has presented you with the minimum amount required but more funding would, of course, be helpful in establishing a very successful program.

You have so far kept all details of this meeting confidential, and you hope to announce a big win afterwards. It would be great if you could use the momentum of this to recommend another "A" rating. If she gives you any hassle about the amounts that you think are necessary, just remind her of the extra \$3,000 in costs that small businesses are incurring yearly thanks to the national healthcare bill that she voted for. Giving them this extra \$2,500 will both help the training program be effective and make up for that hidden cost she imposed on small businesses. If she's not willing to do that, you can always press her to support the repeal of the healthcare policy.

At the end of the day, you need Senator Haskins to really take a stand for small business here, otherwise not only will you not be able to support this piece of legislation, but the SBAO won't be able to support her in the future.