

**TESTIMONY OF
Don Nissanka
President & CEO – Exergonix, Inc.**

**BEFORE
The Senate Committee on Commerce, Science and Transportation
Subcommittee on Competitiveness, Innovation and Export Promotion**

**HEARING
Promoting American Competitiveness:
Filling Jobs Today and Training Workers for Tomorrow**

April 17, 2012

Chairwoman Klobuchar, Senator Blunt, and members of the Subcommittee: thank you for the opportunity to appear before you today. My name is Don Nissanka, President & CEO of Exergonix in Lee's Summit, Missouri. Exergonix designs and manufactures innovative lithium ion based energy storage systems for a wide range of applications from military to telecommunications to grid storage. We produce these systems in sizes small enough for individual cell towers or homes all the way to units large enough to be used by electric utilities. Our systems provide the missing link that make renewable energy systems cost effective and will allow nations around the world to implement a workable, smart and decentralized power grid.

I came to the United States 25 years ago. I received an excellent education from one of the outstanding universities in Missouri, the University of Central Missouri, which provided me with a continuing series of jobs and training throughout my career starting as an intern at Gates Energy in the early 90's. Nearly a decade ago, I decided I wanted to go out on my own, build a company and create new technology jobs in this country. I watched U.S. companies shut down plants and move their businesses overseas because they said they wanted to be more competitive. I felt strongly that this was the wrong approach, and I decided then I needed to make a difference.

From that time, my main focus has been developing high technology companies that create good, high-paying jobs in the United States. My competitive edge was technology, automation and specialty skill training. We were successful in doing that with my first company – now called Dow-Kokam – which today employs more than 100 people in Missouri and Michigan and which will soon hire several hundred more skilled workers to staff its new highly automated plant in Midland, Michigan.

But, as you know, it is becoming difficult in many parts of the country to find enough well-trained workers with the skills needed for today's advanced technology manufacturing. Across the United States, there is a shortage of engineers, scientists and

skilled manufacturing workers needed to build the types of products my company produces.

When we move manufacturing jobs overseas, what we have forgotten – unfortunately – is that we take away the innovation that goes with each job. For example, a person who builds a product on a manufacturing line also improves that product on a daily basis: they find better processes to manufacture, develop new complementing technologies that help businesses grow, and they learn skills as a specialist in what they do. Technology advancement requires incubation of ideas and exposure to basic principles at a grass-root level early enough to keep the creativity flowing.

Today, our younger generation of workers is not getting exposed to the backbone of innovation early enough to get that creative juice going – and that hurts us. The U.S. was a technology leader in the 80's, which is one of the reasons I came to this country as a young man. I feel strongly that we have to change the way we educate, train and employ our future leaders so they can be more creative in the development of the next big idea.

When I started Exergonix in 2010, I wanted to take a further step toward addressing this need for well-trained, skilled workers by creating a business-university partnership which would allow students to develop skills leading them directly to a job upon graduation. Working closely with my good friend Dr. Charles Ambrose – President of my alma mater, the University of Central Missouri – we developed the concept for the Missouri Innovation Campus.

The Missouri Innovation Campus is a collaboration between business, educators and community leaders to give our students the focused science, math and technology training combined with hands-on experience which will lead to jobs upon graduation. And those trained students will ensure that our advanced technology companies in the community will not have to go elsewhere to find the trained workers needed to successfully grow our companies.

To implement our plan, last year Exergonix acquired 85 acres of land in Lee's Summit – a suburb of Kansas City about an hour west of the main UCM campus in Warrensburg. We will locate our headquarters and manufacturing facility on this site, and we are working to bring to the site other companies in the renewable energy sector such as electric vehicle assembly, solar panel integration and other cutting-edge, green technologies. Already we have an LED bulb manufacturer committed to locating there, and we are looking at an advanced pneumatic generator company also to locate into the campus. UCM will occupy a 150,000 square foot facility on the site, and we have other companies in the area – including Honeywell, ProEnergy, Sprint, Cerner and Smith Electric Vehicles – committed to hiring graduates. Students will be able to go straight from class to their apprenticeship training at Exergonix or another company on the site.

We are working with the University to rewrite the curriculum so that it fits our employment needs. We will work with the University to help cover student tuition costs

– and the result will be students walking out the door with their diplomas and into jobs for which they already trained and qualified, but without the huge debt burden so many graduates today are faced with. As you know, the student tuition debt has surpassed the credit card debt in the country. Our Innovation Campus idea is a win-win for everyone.

One of the exciting originalities of the Missouri Innovation Campus is that UCM is working with local high schools, community colleges and other universities to include their students in the program. Beginning this fall, high school students will be able to enroll in the technology training program – earning college-level credit and beginning an apprenticeship with a local high-tech company. The result is that these students will be able to move to solid, high-paying jobs in as little as two or three years after finishing high school.

I am gratified that Missouri Governor Jay Nixon is supportive of our project. He recently committed \$500,000 to support the project and – more importantly – established a \$10 million fund to support similar projects around the state. The partnerships funded under that program will go a long way toward developing the skilled workforce that Missouri needs to continue to grow its manufacturing, aerospace and green energy industries.

This country has given me many opportunities. I want to make sure that my daughter and her classmates have at least the same opportunities I had – both to get a high-quality education and to be able to turn it into a good-paying career. As the CEO of an advanced technology manufacturing company, I believe the Missouri Innovation Campus is exactly the type of program we need to ensure that we meet this goal, and our nation retains and creates as many jobs as possible.

Attached to my written testimony are a white paper by the University of Central Missouri and a recent article by Governor Nixon on the Missouri Innovation Campus. I ask that these be included in the record.

Thank you. I'd be pleased to answer any questions you may have.



A New Vision

Educational institutions exist to create opportunities for individuals to advance their success, invest in their future and give back to their community. So why are so many standing on the outside looking in?

For Missouri to meet Governor Jay Nixon's goal for at least 60 percent of the population to have a college degree by the year 2020, educational institutions must develop innovative solutions to the biggest obstacles facing students today. Among them is an increasingly large debt upon graduation.

Education is critical to the state's economy. An educated workforce attracts new industry, opens new businesses and creates jobs, and it is essential for educational institutions to graduate students who meet the needs of these future employers. In-demand industries are specifically in need of skilled workers with an educational background in science, technology, engineering and health care.

Educational institutions have the tools to equip students for the future. Businesses have the demand for a skilled labor force to grow and expand in the state of Missouri, but until now, an artificial division has separated these areas. The solution? The University of Central Missouri and Exergonix, Inc., - a new "green" technology company in Lee's Summit - present the Missouri Innovation Campus to serve as a model for the marriage of education and industry.

Missouri Innovation Campus

The Missouri Innovation Campus is a progressive initiative between educational institutions, community organizations and businesses partners to revolutionize the way students learn and work. Joining in this initiative are the University of Central Missouri, Exergonix, Inc., city of Lee's Summit, Lee's Summit R-VII School District, Lee's Summit Chamber of Commerce, Lee's Summit Economic Development Council, Metropolitan Community College-Longview, Cerner Corporation, Honeywell and the state of Missouri.

Together, this partnership will help:

Students

- Gain valuable, engaging experience in the applied sciences
- Lessen the burden of student debt
- Decrease the time it takes to earn a degree

Employers

- Acquire skilled workers with competency in emerging technologies
- Encourage innovations in science, engineering, education and nursing

The mission of the Missouri Innovation Campus is to help bridge the gap between graduates and workforce demands. In addition to building knowledge through their classroom experiences, students will have the opportunity to experience a high-impact, real-world environment where they can develop skills long before they complete their degrees. The Missouri Innovation Campus will also provide an atmosphere for educators to stay current in technology areas such as wind and solar energy, electric vehicles, energy storage, LED lighting and more.

One of the greatest obstacles to growth and innovation is student debt. The innovation campus will seek new ways to assist students through student employment, tuition forgiveness, shared tuition and low-interest loan programs. This will greatly lower their overall cost and reduce the amount of debt they have upon graduation.

The Missouri Innovation Campus will be developed on property in Lee's Summit near Highway 50 and Missouri 291 South.

Invest in Missouri

The estimated economic impact of the Missouri Innovation Campus is significant to the Kansas City metropolitan area in terms of job creation and capital investment in buildings and equipment. Creation of a new model in higher education that is student-centered and meets critical workforce needs is an investment in the future of the state that could not only move Missouri to national prominence but accelerate its ability to compete in a world market.



Posted on Sun, Feb. 26, 2012

Missouri Innovation Campus will speed students toward degrees, jobs

By GOV. JAY NIXON
Special to The Star

Imagine students being able to complete their bachelor's degrees in under three years — and graduate debt-free.

Imagine schools providing focused study, from middle school through college, which prepares students today for careers of tomorrow.

Imagine a campus where students get academic credit — and real-world training — in state-of-the-art facilities supported by companies on the leading edge of science and technology.

This bold new vision for the future of higher education is taking shape today through the Innovation Campus of the University of Central Missouri. The campus is the result of an unprecedented partnership between the university, Lee's Summit School District, Metropolitan Community College, local businesses, community leaders and the state.

This initiative could not come at a more critical time.

Today's students face a rapidly evolving, technology-driven global economy. Before the end of this decade, the majority of all jobs in the United States will require some kind of higher education.

To compete successfully for the best jobs in the new economy, our children will need higher education and training that is focused, efficient — and affordable. That's especially true in fields like science, engineering, technology and health care, where rapid job growth already exists.

But the current business model for higher education is not keeping pace. The rising cost of higher education is pushing a college degree out of reach for many.

Students who graduate are often saddled with thousands of dollars of debt. That makes it harder for them to purchase cars and homes and keep our economy moving forward.

At the same time, companies in high-growth sectors need a highly skilled workforce to grow, innovate and compete. But here, as in many parts of the nation, the gap between skills needed in the workforce and skills graduates possess impedes growth.

By leveraging public and private resources, the Innovation Campus holds tremendous potential to boost economic development.

Here's how it will work.

Starting this fall, the program will enroll up to 30 high school juniors at Summit Technology Academy, a pre-professional technical school that serves students from 16 area high schools. They'll be prepared to study science and technology at the college level and sharply reduce the time it takes to earn their degrees. With opportunities to take dual-credit courses at Metropolitan Community College, Advanced Placement and other programs, students can earn college credits while still in high school.

Students will also be placed in apprenticeships and on-the-job training programs with local business partners, including Cerner, Exergonix, DST and Sprint. That provides students the opportunity to hone their problem-solving skills in a real-world setting.

My administration is supporting this unprecedented partnership with a \$500,000 Community Development Block Grant to fund apprenticeships, training and educational opportunities.

To participate, business partners must commit to creating jobs. Innovation Campus students would be highly trained candidates for these new positions once they've completed their bachelor's degrees and apprenticeship training.

Beginning Thursday, my administration will make an additional \$10 million available in competitive grant funds to adapt the Innovation Campus model across Missouri. I encourage private businesses and all Missouri public colleges and universities to look for ways to adapt the lessons across our state.

As governor, I'm committed to making college education more affordable and accessible to more families, to training Missourians for the jobs and careers of tomorrow, and to growing our economy.

The Innovation Campus is a bold idea whose time is now.

Jay Nixon, a Democrat, is governor of Missouri.

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