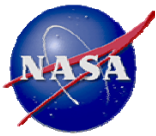




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How the Space Coast is Preparing for Change

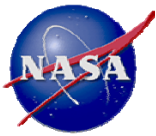
**Presented by Tracy Anania,
Director of Human Resources, National Aeronautics and Space
Administration, Kennedy Space Center**



The Space Coast Landscape

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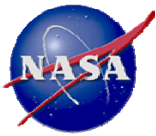
- Labor force:
 - Variety of occupations
 - Largest industry: professional and business services, employing 37,300 people, with 40% of these individuals employed at NASA's Kennedy Space Center
 - Others in top five: Education and health services, government, retail trade and manufacturing
 - 61.5 engineers per 1,000 residents (highest in Florida; one of highest concentrations in the Nation)
- Economic impact of Kennedy Space Center
 - Over \$4 billion into the local economy
 - More than half in income for 40K direct and indirect jobs created by NASA's programs



The Landscape continued...

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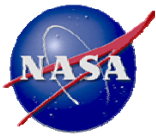
- Employment:
 - Significant rise in unemployment, outpacing the rate in the rest of the state as well as the overall rate in the United States
 - 11.4% in 2009 (National Average - 9.5%)
 - Currently 11.6%
 - Expected to climb to 15% after the Shuttle is retired
 - Historical comparison: (1975) post-Apollo unemployment rate was 14.7%
 - Although significant, impact less than post-Apollo
 - Current projected job losses less than post Apollo
 - Apollo-era workforce accounted for greater % of county employees
 - More KSC workers eligible for retirement
 - Region is more economically diverse



Building on NASA's History

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- Established by the National Aeronautics and Space Act on July 29, 1958 and became operational on October 1, 1958
- An Executive Branch agency of the United States government responsible for the nation's civilian space program and aeronautics (technology, business and other aspects related to aircraft) and aerospace (the atmosphere of Earth and surrounding space) research
- Our mission is to pioneer the future in space exploration, scientific discovery and aeronautics research
- Led efforts for space exploration since its establishment, and has been recognized for generations of accomplishments:
 - Mercury, Gemini and Apollo
 - International Space Station
 - Space Shuttle
 - New markets and new technologies



The Future

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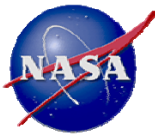
- Long-term goal: Expand permanent human presence beyond LEO and involve international partners where practical
- Key objectives for human expansion into space are:
 - Sustain capability for long-duration presence in low-Earth orbit
 - Determine if humans can live for long periods in space with decreasing reliance on Earth
 - Advance knowledge of the universe, support national and economic security and inspire young people's education
 - Build upon cooperative framework of International Space Station partnership
- Critical components:
 - Transform to premier 21st Century Space Launch Complex
 - Heavy-lift vehicle (70-100 ton payload to LEO and integrated Earth departure upper stage to carry 130 tons or more)
 - Multipurpose crew module (primary crew transportation for missions beyond low Earth orbit)



Space Coast and Regional Impact

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- Near-term:
 - Proposed Launch-on-Need shuttle mission (O/A June 2011)
 - Continued Kennedy Space Center (KSC) contractor workforce reductions (approximately 7,500 total)
 - Partnership development
 - Launch vehicle processing
 - Technology, facility and capability utilization
 - ISS research
- Longer-term (proposed, pending 2011 authorization/appropriations bills)
 - Extension of ISS through at least 2020 and enhanced utilization
 - 21st century launch complex upgrades at KSC
 - Support commercially-developed crew transportation systems
 - Develop a multipurpose crew vehicle for missions beyond low Earth orbit
 - Acquire/sustain workforce to enable continued success



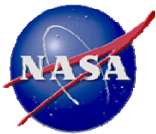
Key to Our Continued Success: Partnership

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- Internal Partnerships
 - Shuttle Program and contractor leadership
 - Human Resources Council
 - Innovative Partnerships Program
 - Space Shuttle Transition Liaison Office
- External Partnerships
 - Brevard Workforce
 - Business Development Office
 - Space Florida
 - Employers/Entrepreneurs
 - President's Task Force Members
 - Office of Personnel Management

*If we are together nothing is
impossible. If we are
divided all will fail.*

Winston Churchill



Internal Partnerships

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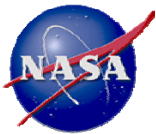
- KSC Shuttle Workforce Council
 - FOCUS: Communication, skill/attrition risk analysis and mitigation, employee transition, celebration of accomplishments
- KSC HR Directors'/EAP Council
 - FOCUS: Address common challenges and monitor “pulse of workforce”
- Shuttle Transition Liaison Office
 - FOCUS: Coordinate NASA resources to provide assistance to community and transitioning employees (NASA 2008 Authorization Act)
- How we do it:
 - Use in-house (HR and EAP) and community (Brevard Workforce, SSA, SBA, HUD, Consumer Credit Counsel, United Way) services to support job search/career transition preparation and training, and connections with community resources
- Why is it so important:
 - To ensure safe processing through Shuttle fly-out
 - Reciprocate commitment to employees
 - Retain skills for future work



External Partnerships

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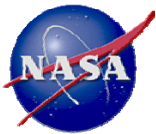
- Business Development Office
 - Space Florida
 - Brevard Workforce
 - Established companies/Entrepreneurs
 - President's Task Force Members
-
- FOCUS: Mitigate the negative effects of projected loss of 7,000 to 9,000 direct and an additional 12,000 to 16,000 indirect jobs through (source: May 03, 2010 Presidential Memoranda-- Task Force on Space Industry Workforce and Economic Development)
 - Near-term job creation
 - Economic diversification



External Partnerships continued...

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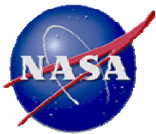
- How we do it:
 - Opened KSC Business Development Office (www.nasa.gov/centers/kennedy/business/index.html) to provide private industry with the maximum opportunity to do business with KSC
 - Partnered with Florida Power and Light
 - “Green Initiatives” - utilization of KSC property to construct two renewable energy (photovoltaic solar powered) facilities
 - Collaborating with Space Florida to support aerospace and other regional economic development initiatives
 - Working with employers and entrepreneurs to find employment opportunities for aerospace employees and opportunities to partner for technology development
 - President’s Task Force
 - Host an Office of Personnel Management (OPM) sponsored Federal government job fair for the highly skilled displaced workers
 - Launch a new Federal Aviation Administration (FAA) Commercial Spaceflight Technical Center



Best Practices

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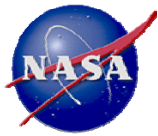
- Engage existing resources (cost-effective, knowledgeable, familiar)
 - In-house HR specialists staff Workforce Transition Offices and teach classes
- Go where your clients are
 - Workforce Transition Offices proximal to employee worksites and accessible post-layoff
 - Mobile Job Link Express
- Consistent and continuous communication
 - VOICE Website (Vision for the Future, Opportunities, Information, Communication and Exchange of Ideas) – marketed as single-source of transition information
 - All levels of management engage employees
- Use branding to your advantage and get the word out
 - Great interest in space program encourages media attention
 - Capitalize on opportunity to promote talent, capabilities and initiatives



Lessons Learned

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- Make and communicate game-changing decisions as early as possible
- Know your strengths – Use them to your advantage
- Develop alternate strategies -- What will we do if....?
- Engage stakeholders throughout the transition process
 - Stay connected
- Develop an impact mitigation strategy (consider near and long-term needs for your most important assets)
 - Knowledge transfer
 - Cross-training/retraining to enhance employee skills and likelihood of success of future programs
 - Retention/attrition incentives
 - Short-term staffing resources (retirees, staffing service companies)
- Balance company and employee needs



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Questions?