Economic Competitiveness Strategy

An introduction to the Sector Strategies Framework
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Economic Competitiveness Strategy

Introduction

The California Workforce Investment Board (State Board) has adopted a Sector Strategy Framework to address the State’s workforce development system needs (including the State’s labor exchange, workforce education and training programs). This framework includes regional collaboration, data driven planning and strong public/private partnerships, to achieve the State’s vision of bolstering regional economic competitiveness, a well coordinated and effective workforce development system, providing solutions to industry needs as well as the needs of job seekers at every level.

What are Sector Strategies?

Sector strategies provide an effective approach to organizing a comprehensive workforce development system that is capable of responding to market forces and demographic factors effecting businesses. Sector strategies exhibit these key elements:

- Target a specific industry cluster; develops a data driven, finely tuned knowledge of the interdependence between business competitiveness and the workforce needs of the targeted industries
- Build regionally based partnerships of employers, training providers, community organizations, and other key stakeholders around specific industries
- Address the workforce needs of employers and the training, employment, and career advancement needs of workers
- Bolster regional economic competitiveness by aligning education, economic, and workforce development planning and leveraging of resources
- Promote systematic change that supports innovation and achieves ongoing benefits for industries, workers, and communities

Why are Sector Strategies Important?

The State Board has made extensive investments to bolster the State’s understanding of California’s economy’s regional industry cluster composition. California’s global economic competitiveness and prosperity are reliant upon industry’s ability to be innovative as it responds to quickly evolving technology and emerging competitors. Globally, businesses are recognizing that they must act in a cooperative and efficient manner that has results in regional clustering. Sector strategies, may assist these needs by:

- Sustaining and growing their regional industries by ensuring an adequately skilled workforce that adapts to change
- Allowing diverse regional populations to participate in regional industry growth
- The application of Sector Strategies provides a better idea of the type of talent that industries need to keep them competitive. It also facilitates the evaluation of the education components needed to deliver this talent.
**How Can Sector Strategies Be Applied Effectively?**

The effective application of sector strategies requires the active participation of all pertinent members related to the sector. This includes the full cooperation of public and private sector employers and organizations, as well as educational and funding institutions. The State Board will focus on the five areas of evaluation that has been adopted from the collaborative work undertaken by the National Governors Association (NGA), the National Network of Sector Partners (NNSP) and the Corporation for a Skilled Workforce (CSW):

- **Impact on Jobseekers and Workers**: How has the sector partnership met the needs of jobseekers and workers for relevant training and employment?
- **Impact on Employers and Industry**: How has the sector partnership met the needs of employers for skilled workers?
- **Impact on the Community**: How has the sector partnership changed how the “community” works together to meet worker and employer needs?
- **Effectiveness of the Partnership**: Is there evidence that the partnership itself is organized, effective, and efficient?
- **Systems Change**: Has the sector partnership changed the behavior of education systems, workforce development programs/policies, industry Human Resource policies?

**What Resources Can Be Used to Implement and Manage Sector Strategies?**

The Sector Strategy Toolkit is a collaboratively developed, web-based tool intended to help design and implement sector policies and frameworks that position the regions to strengthen regional, skills-based economic competitiveness. The Toolkit contains information, resources and templates to be used in launching and managing a state sector strategy. It was developed as part of the NGA State Sector Strategy Learning Network, in conjunction with its two project partners - The CSW and the NNSP. The link [http://sectorstrategies.org/toolkit](http://sectorstrategies.org/toolkit) is provided to find more information about the toolkit.

**What Are Other States Doing?**

Over $150 million dollars have been invested in sector strategies across 12 states: Arkansas, Colorado, Georgia, Illinois, Massachusetts, Michigan, Minnesota, North Carolina, Pennsylvania, Oklahoma, Oregon, and Washington. Investments range from $500,000 in North Carolina to $65 million in Arkansas (primarily Career Pathways) for an average investment of just over $13 million per state. There are over 400 “local sector partnership projects” spanning 15 industries funded and supported by the 12 states in the Learning Network, an average of just over 36 per state. Most common industries are: Manufacturing, Health Care, Biotechnology/Bioscience, Logistics, Agriculture and Food Production, and Energy – Traditional and Renewable.
California’s Green Workforce Initiative is a collaborative economic development strategy being executed in partnership with the California Workforce Investment Board (State Board), California Energy Commission, the Employment Training Panel, Labor and Workforce Development Agency, and a host of partner agencies. The State Board has organized three distinct funding opportunities to create one of the nation’s largest green workforce development programs. It utilizes funding from the American Recovery and Reinvestment Act (ARRA), Alternative and Renewable Fuel and Vehicle Technology Program (AB 118) funds, Workforce Investment Act Governor’s Discretionary funds, as well as private and local funds.

Clean Energy Workforce Training Program (CEWTP)

The Clean Energy Workforce Training Program (CEWTP) provides approximately $26.75 million in funding to 34 regional and local training projects focused on meeting the needs of the Clean Energy sector. Key to this project is the development of a thorough understanding of the career pathways present in the Green Economy and the design of complimentary educational pathways which will move unemployed, low-wage and dislocated workers into these careers. Each project will be overseen by regional partnerships consisting of local Workforce Investment Boards, community colleges, other education partners (Adult Ed, Regional Occupation Programs, etc), economic development organizations, organized labor, and, most critically, representatives from the industry for which training is being delivered. Known as Green Employer Council’s, these partnerships will provide oversight and ensure that the project is responsive to the industry’s workforce needs and results in relevant training for real world jobs. The CEWTP is funded by ARRA funds, AB 118 funding, WIA Governor’s Discretionary funding, and a 1:1 match of private, in-kind or leveraged funding, netting total investment of $53 million in funding.

Regional Industry Clusters of Opportunity Grants (RICOG)

The California Workforce Investment Board (State Board), the California Energy Commission, and the Economic Strategy Panel in coordination with the California Labor and Workforce Development Agency, is providing $2.5 million in funding to support ten local workforce areas interested in undertaking or furthering regional planning initiatives. The funding will support the data-driven analysis necessary for the formation of relevant regional sector initiatives. This grant builds on work
that the State Board has done with Economic Strategy Panel and others over the past several years. This funding opportunity will support regional collaboration in the LWIB community by providing resources and technical assistance in the areas of diagnosis, partnership development, designing leveraged investment strategies and sustainability planning for regional sector initiatives.

**State Energy Sector Partnership (SESP) and Training Grants**

The California Workforce Investment Board has been awarded $6 million in funding from the Department of Labor’s Employment and Training Administration under the State Energy Sector Partnership and Training Grant. The Board will utilize this funding to support six Regional Teams in the development of training programs in emerging energy efficiency and renewable energy industries. Complimentary to the existing work of the State Board’s Green Collar Jobs Council, this grant opportunity will support action clinics, information exchange, worker training, curriculum publication, and further the refinement of regional sector initiatives designed to meet the talent needs emerging in clean technology and green industries. The program will be overseen by the Green Collar Jobs Council, acting as the State Energy Sector Partnership.
In March 2009, the Green Collar Jobs Council, the Labor and Workforce Development Agency (LWDA), the Energy Commission, the Employment Development Department (EDD), the Employment Training Panel (ETP), and the State Board established the Clean Energy Workforce Training Program (CEWTP), the nation’s largest state-sponsored green jobs training program. The CEWTP provides grants to promote the use of industry sector strategies for training workers in occupations related to energy efficiency, water efficiency, renewable energy (distributed generation and utility-scale), and alternative and renewable transportation technologies.

Thirty four local workforce development partnerships received $26.75 million in state and ARRA funds to train approximately 5,600 unemployed, underemployed and new workforce entrants through the following programs:

- **Green Building and Clean Energy Pre-Apprenticeship and Re-training Partnerships**
- **Alternative and Renewable Fuel and Vehicle Technologies Workforce Development and Training Partnerships**

The local partnerships consist of a local Workforce Investment Board (local WIB) and a community college as well as community, labor, and other nongovernmental organizations. The partnerships are required to assemble an advisory council of local green businesses and will provide trainees with job placement services through existing WIB/One-Stop Career Centers. Funding through the Solicitation for Proposal is from four sources: $14.5 million of ARRA funds, $3.5 million in Alternative and Renewable Fuel and Vehicle Technology Program funds provided by the Energy Commission, and $10 million from Workforce Investment Act Governor’s Discretionary funds. Grantees provide an additional $23 million in public-private partnership matching funds.

Under the first phase, participants will receive training that will lead to variety of green-related degrees and certificates designed to help develop the state’s low carbon, clean energy economy of tomorrow.
The California Workforce Investment Board’s (State Board) Sector Strategies approach to bolstering regional economic competitiveness requires the development of regional initiatives that are based upon a data driven analytical framework. In support of this framework, the **Regional Industry Clusters of Opportunity Grant (RICOG)** solicitation was developed jointly by the State Board, the California Energy Commission (Energy Commission), the Employment Development Department and the California Economic Strategy Panel (ESP). Approximately, $2.2 million dollars in funding for the grants comes from the American Recovery and Reinvestment Act (ARRA), Workforce Investment Act Governor’s Discretionary 15 percent portion of the federal Workforce Investment Act and Assembly Bill 118, Alternative and Renewable Fuel and Vehicle Technology Program (AB 118).

These grants will bolster regional economic competitiveness by building the capacity of regional collaborations to identify growing industries, undertake strategic planning and leverage public/private resources. The funding available will support the utilization of the Industry Cluster of Opportunity Methodology to develop the data-driven analysis necessary for the formation of relevant regional sector initiatives. The State Board’s intent is that the resulting data-driven analyses will serve as the foundation for developing and implementing regional clusters of opportunity strategies and for involving partners in advancing the competitive position of targeted clusters resulting in economic prosperity.

Local Workforce Investment Boards (LWIB’S) applied for funds within the following four phases of activities:

**Clusters of Opportunity Diagnosis:** Research and analyses of one or more regional cluster of opportunity. This activity should include quantitative cluster research, qualitative value chain analysis, analysis of cluster occupational categories and skill-set requirements and related tasks to develop a firm understanding of a region’s transforming economy.

**Collaborative Priority-Setting:** Design and implement a collaborative cluster engagement process based on the results of the research and analyses described above. This activity should engage cluster employers and community stakeholders to identify shared priorities for an overall cluster of opportunity strategy.

**Cluster of Opportunity Investment Strategy:** Identify and connect specific investments and other commitments among local, state, and federal government partners, as well as private firms and industry associations, and non-profit and private foundation partners, and others to advance the competitive position of regionally targeted clusters of opportunity (selected through the process described above) through workforce and economic development partnerships. This activity should produce an overall strategy with specific organizational commitments and champions organized around shared cluster priorities.
**Sustainable Implementation:** Support the long-term sustainability and growth of regional clusters of opportunity. This activity should produce a set of broader organizational and policy changes to sustain and expand regional cluster of opportunity strategies, as well as a lasting mechanism to support ongoing collaboration among all the partners.

**Regional Action Clinics**
In support of the regional project teams, Action Clinics will be conducted by Collaborative Economics to provide technical assistance to grantees, and serve as a platform to engage local workforce investment boards, businesses, stakeholders and investors to collaborate as they identify their growing industries, undertake strategic planning and leverage public and private resources. Four action clinics are scheduled to take place from April 2010 to April 2011 to support the four phases of RICOG.

<table>
<thead>
<tr>
<th>Local Workforce Investment Board</th>
<th>Counties</th>
<th>Targeted Clusters of Opportunity Clusters identified as of July 2010</th>
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</thead>
<tbody>
<tr>
<td>Fresno County</td>
<td>Amador, Calaveras, Fresno, Kern, Kings, Inyo, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, Tuolumne</td>
<td>Health</td>
</tr>
<tr>
<td>Humboldt County</td>
<td>Del Norte, Humboldt, Mendocino, Siskiyou, Trinity</td>
<td>Diversified Healthcare, Agriculture, Building and Construction, Management Innovation</td>
</tr>
<tr>
<td>Northern Rural Training and Employment Consortium (NoRTEC)</td>
<td>Butte, Del Oro, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity</td>
<td>Healthcare, Renewable Energy, Alternative Fuels</td>
</tr>
<tr>
<td>North Valley Job Training Consortium (NOVA)</td>
<td>Santa Clara, San Mateo</td>
<td>Health and IT (Convergence)</td>
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<tr>
<td>San Diego Workforce Partnership</td>
<td>San Diego</td>
<td>Health and IT (Convergence)</td>
</tr>
<tr>
<td>San Bernardino County</td>
<td>Riverside, San Bernardino</td>
<td>Energy Generation, Green Building, Recycling, Transportation, Water</td>
</tr>
<tr>
<td>Santa Barbara</td>
<td>San Luis Obispo, Santa Barbara, Ventura</td>
<td>Agriculture, Energy Generation, Green Building, Resource Conservation, Green Products, Transportation</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>Alameda, Contra Costa, Solano</td>
<td>Renewable Energy and Water Technology</td>
</tr>
</tbody>
</table>
Clustering of Opportunity
With Share of Green Employment by Cluster
Los Angeles/Orange/Ventura Counties
1995-2006

Average Annual Employment Growth Rate 1995-2006
Size of bubble represents employment size in 2006.

Data Source: California Employment Development Department, Labor Market Information Division (CREE); Green Establishment Database
Analysis: Collaborative Economics

Green Employment by Segment
Los Angeles/Orange/Ventura Counties

Data Source: Green Establishment Database
Analysis: Collaborative Economics

Green Employment Growth Rate 1995 - 2008
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State Energy Sector Partnership

California’s Green Workforce Initiative is a collaborative state sector strategy being executed in partnership with the California Workforce Investment Board (State Board), California Energy Commission, the Employment Training Panel, Labor and Workforce Development Agency, and a host of partner agencies. The State Board has organized three distinct funding opportunities to create one of the nation’s largest green workforce development programs. One of these funding opportunities is the State Energy Sector Partnership and Training Grant.

State Energy Sector Partnership (SESP) and Training Grants

The California Workforce Investment Board has been awarded the maximum amount of $6 million in funding from the Department of Labor’s Employment and Training Administration under the SESP grant. The Board will utilize this funding to support six Regional Teams in the development of training programs in emerging energy efficiency and renewable energy industries. Complimentary to the existing work of the State Board’s Green Collar Jobs Council (GCJC), this grant opportunity will support action clinics, information exchange, worker training, curriculum publication, and further the refinement of regional sector initiatives designed to meet the talent needs emerging in clean technology and green industries. The program will be overseen by the Green Collar Jobs Council, acting as the State Energy Sector Partnership.

Regional Project Teams

In order to maximize the outcomes the GCJC designed a joint review process, through which, both the Clean Energy Workforce Training grantees and the SESP Regional Teams would be chosen. This review focused on identifying regional projects which demonstrated strong a collaborative approach to designing workforce solutions, bringing together broad partnerships with business, economic, workforce, education and labor organization for the purpose of designing demand responsive training programs and connecting trainees to employment upon completion. The six regional project teams are:

Alameda County Workforce Investment Board – In order to meet the growing demands of the green sector in the Bay Area, the region must quickly prepare skilled workers for green jobs in emerging high-growth fields such as residential retrofits. The initiative’s efforts will lead to immediate job placement in green retrofit through training classes taught by Build it Green, California Building performance Contractors Association, and Green Plumbers USA. The project will serve 225 participants and will specifically target displaced auto-workers from the impending NUMMI plant closure.
**Los Angeles City Workforce Investment Board** – The Los Angeles Department of Water and Power (LADWP) Electrical Tester Apprenticeship Program (ETAP) will train new Electrical Testers to maintain and test renewable and conventional resource control equipment. In addition, the Los Angeles Green Building Pre-Apprenticeship Academy will offer the target population career focused short-term training programs that integrate industry awareness and skill attainment, academic and basic skills remediation and supportive wrap-around services.

**Northern Rural Training and Employment Consortium** – The Green Building Training Partnership’s program at Butte College will be part of an articulated, sequenced pathway from the ROP/High School to Butte College to California State University.

**San Diego Workforce Partnership** – The San Diego Green Building Apprenticeship Readiness Partnership will prepare individuals for jobs in the green building and energy efficiency industry sector, by offering courses in basic construction principles, environmental literacy, energy fundamentals, retrofits and energy efficiency, solar hot water installation, and design principles.

**Sacramento Employment and Training Agency (SETA)** – SETA will prepare individuals using three programs. The Sacramento Region Green Initiative will focus on the energy and water efficiency sector with upgrade skills training in several green career clusters. In addition the Sacramento Region Green Building Pre-Apprenticeship Training Partnership will prepare participants with little or no prior construction experience for registered apprenticeship programs and jobs in the building retrofit field. The Sacramento Regional Alternative Vehicle and Fuel Workforce Training Program will provide industry and entry-level training to prepare technicians to work with alternative vehicles, fuel systems, diagnostic tools, and technical software.

**San Joaquin Valley Regional Team** – This proposed Regional Team will perform research and analyses of one or more green regional industry clusters of opportunity. It will undertake a process of joint priority setting to design and implement a collaborative industry cluster engagement strategy. The Regional Team will also identify and connect specific investments and other commitments among public and private entities to advance the regional competitive position, design educational programs that compliment the career opportunities identified, recruit target populations for enrollment into industry relevant training programs and support trainees with wrap-around supportive services and placement assistance, with the goal of serving a minimum of 200 participants.
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