



**Targeting Resources Special Committee  
Agenda Packet**

*Governor  
Arnold Schwarzenegger*

*Chair  
Lawrence Gottlieb*

*Executive Director  
Brian McMahon*

**Thursday  
January 12, 2006  
10:00 a.m. — 1:30 p.m.**

*East End Complex  
Hearing Room 172.167  
1500 Capitol Avenue  
Sacramento, California*



## Special Committee on Targeting Resources



### MEETING NOTICE

**East End Complex  
1500 Capitol Avenue, Hearing Room 172.167  
Sacramento, CA**

Lawrence Gotlieb  
Chairman

Christine Essel  
Vice Chair

**Thursday, January 12, 2006  
10:00 a.m. – 1:30p.m.**

Arnold Schwarzenegger  
Governor

Brian McMahon  
Executive Director

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### AGENDA

1. **Welcome and Opening Remarks**
  - **Barry Sedlick, Chair**
2. **Action - Approval of the November 1, 2005 Meeting Summary**
3. **Discussion Item - Next Steps for the Following Three Proposals:**
  - **Advancing Low Wage Workers Initiative**
  - **Goods Movement Industry Sector Initiative**
  - **Promising Strategies for Local Collaboration Guidance**
4. **Working Lunch**
5. **Discussion Item - Committee Short- and Long-Term Goals**
6. **Public Comment**
7. **Next Steps**
8. **Other Business that May Come Before the Committee**

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Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn.

In order for the Special Committee to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the Special Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.calwia.org> or contact Danny Patterson for additional information.

**California Workforce Investment Board  
Targeting Resources Committee  
November 1, 2005 Meeting Summary**

**California Workforce Investment Board (State Board) Members and Committee Members Attending**

Mike Curran  
Jacqueline Debets  
Mark Hanson for Jerry Butkiewicz  
Sean Liou  
Richard Mendlen  
Kathleen Milnes  
Dwight Nixon  
Tim Rainey for Art Pulaski  
Wayne Schell

**Board Staff, Partner Staff and Contributors Attending:**

Partner Staff:  
Bonnie Graybill, Employment Development Department (EDD)  
Phil Hardiman, EDD  
Marsha Yamamoto, EDD  
Michelle Alford-Williams, Department of Rehabilitation

State Board Staff:  
Paul Gussman  
Joelle Hurst  
David Illig  
Beverly Odom  
Suzette Smith

**Welcome and Opening Remarks**

Mike Curran chaired the meeting in the absence of Barry Sedlik. The meeting commenced at 10:10 a.m. Mike Curran asked members to introduce themselves, he then stated that the main goal for today's action items is for members to provide feedback on and approve the three proposals' general concepts for recommendation to the full State Board at its November 30, 2005 meeting. Mr. Curran provided a brief update on the State Board Administrative Committee meeting held on October 31, 2005. Mr. Curran identified four themes articulated at that meeting as they relate to this committee.

- What are the things we should stop doing?
- What are speed bumps to best practices?
- Create large alliances and partnerships at state level that cannot be formed at local level.
- Advocate for and create new resources; identify better ways to invest resources; advocate for better policy; and use our leadership potential to help improve the economy.

Mr. Curran recommended that the Committee's sequence its work and that the Committee take small bites of the apple, to be aware of timelines for achieving work (fiscal year and State Board Meeting schedule) rather than taking an all or nothing approach. All Committees should make an effort to reduce duplication. For example, the Business and Industry Committee also could address the "Goods Movement" proposal. The Targeting Resources Committee could focus on how individuals navigate the labor market and move up career ladders. An additional focus of this Committee's work could be to identify how we invest wisely and identify resulting investment strategies. It is also important to ascertain employment issues specific to local areas such as agricultural workers in the Imperial Valley or information technology workers in Silicon Valley. When local boards are asked what the system should be doing, they respond that we should be able to target non-WIA resources at the one-stop level. How locals can cause mutual investment is what the Targeting Resources Committee could address.

### **Action - Approval of September 9, 2005 Meeting Summary of Breakout Session**

Subsequent to a minor correction made by Mark Hanson, the September 9, 2005 meeting summary was unanimously approved.

### **Update and Discussion on Local Area/One Stop Survey**

David Illig briefed the Committee on the draft survey questionnaire and the survey's intent to capture sources and amounts of non-WIA funds used by local workforce investment boards and what kinds of partnerships are developed with economic development councils. Ms. Debets asked what we would do with the information once we have it. She clarified that the nature of the questionnaire is not attuned to why, what, or how locals combine funding streams. Mr. Schell indicated that the survey could tell us what programs or services are used more. Mr. Curran said it would be easier to identify funding streams than to identify amounts of funding from each source. Mr. Hanson shared that the organizations that survive use collaboration and private and public foundation funds, which has a different approach. If the pilot does not work, then the public knows about this. He suggests tax allocation money as a basis for funding and reiterated that fundraising in the private sector is different. If the survey is to be used as a venue to target resources, then using private consortiums complicates things. Mr. Rainey said we should first settle the question about where we want to target efforts, then use the survey and focus it accordingly. For example, if we want to target manufacturing, then we should focus the survey on this industry cluster.

Mr. Curran added that the focus is "targeting strategies for certain local and/or regional outcomes." Look at industries that are most prominent and determine what resources they have targeted and why – what are the local or regional outcomes? Is there a barrier and what are the policy issues? For example, determine why some local boards can use ETP monies more easily than others. Mr. Hanson suggested that corporate foundation money has allowed some to leverage ETP funds in a meaningful way. A little money can go a long way when leveraged with WIA monies; however WIA funding has been and continues to be cut so much. Mr. Curran suggested summarizing the committee discussion as follows; doing a survey right now is not the right time. The survey should focus not on programs, but on outcomes. On catalytic

investments, see what other states have done and incorporate this proposed survey into other surveys. Mr. Rainey cautioned that we look at the larger system and by focusing on one-stops we might miss something, so we should examine community resources (not just one-stops). Mr. Hanson recommended bringing in people to ascertain qualitatively how resources are used (focus groups). Consensus was that no survey be conducted in the near future.

**Action – Discussion and Approval of the Advancing Low-Income Workers Initiative Proposal:**

Mr. Curran prefaced the discussion with the thought that the intent of all three papers in the agenda packet is to prompt discussion on what are the right things for this Committee to work on and to allow staff the room to further focus the proposals. David Illig explained that at the July and September Committee meetings, the Committee expressed interest in producing proposals to address committee themes. He briefed members on the draft proposal in the agenda packet for Advancing Low Income Workers Initiative. Mr. Curran recommended we define low income and to clarify whether this should target minimum wage or low-income workers. Ms. Milnes asked whether it might be possible to meld all three proposals into one proposal and asked what kind of funding is available for these.

She provided an example of a sector approach, such as identifying an industry, entry-level occupations and identifying interventions to move up within the industry. This would include incumbent worker training that develops new occupational skills. Focus on the needs of the industry clusters, and then focus on the minimum wage workers. Regional skills alliances are useful when they are cross-industry and not specific to one industry. Mr. Schell asked whether this proposal suggests we have ignored basic literacy all these years. He recommended that today's' third proposal is the strategy that would form the basis of the low wage proposal. He suggested a general initiative aimed at manufacturing to keep what we have and nurture future business. Mr. Illig suggested we look at industries with large numbers of minimum wage workers. Mr. Schell mentioned that locals already know what to do and that we should look at what is not already being done to best apply interventions.

Ms. Debets maintained that manufacturing is not dead, just changing. She suggested we look at (1) industry outcomes - investing to create higher wage jobs, and (2) personal outcomes - self-sufficiency. It would be impossible to eliminate all low wage jobs, especially with low literacy and innumeracy issues. Mr. Curran added that we serve individuals that struggle not only with language literacy, but also who have financial management skill issues. Mr. Hanson pointed out that the San Francisco Bay Area Funding Collaborative model has huge potential to help meet these kinds of goals. Mr. Curran added that if we do a low-wage worker initiative, then use existing best practices and address how we build an economy. Mr. Liou asked how we could better engage skilled workers in California who do not have English language fluency, and target immigrants with the least English (East Indians and Filipinos have better English fluency). One Stop staff sometimes have difficulty placing non-English speaking job seekers.

Mr. Hanson recommended we encourage more incumbent worker customized training models that ensure employers provide a job to the trainee, which mitigates high turnover. Internationally there are additional models such as in Germany and Sweden where private corporate sector

money is the largest source of training funds. The commitment to provide the higher skilled employment opportunity mitigates turn over related to concerns of employers who invest training funds in their employees. Ms. Debets asked how employers make the best use of their employees and where are the leverage points for doing this? Carlos Lopez of the Center for Employment Training, a private non-profit, interjected that we consider Employment Training Panel's way of addressing low-wage worker training issues. The common factor is that the training is specific to an occupation and higher wages are the goal.

Mr. Curran suggested we define better what our goals are including whether they are more business and economy driven, or more personal and occupational driven. Ms. Milnes suggested that we examine barriers and use state level alliances. She asked what the CWIB can do. She suggested we pick something big enough with all three elements that have a statewide impact. The industry cluster on which we focus should come from the CWIB's Business and Industry Committee and our literacy approach should come from the Lifelong Learning Committee. Mr. Curran reiterated we use an industry sector approach to improve low literacy and numeracy while increasing resources available for the proposed initiatives.

Mr. Rainey suggested we steer more 15% money into these initiatives. Mr. Schell suggested we focus on moving people to self-sufficiency wages, that we focus on two to three industries and systematically add the words "economic development" to all our publications. He clarified that if we are careful about which sectors we focus on, we can pick those industry clusters with a lot of overlap, and both cross-region and statewide impact. Mr. Curran noted that fifteen percent monies should be carved out to leverage with foundations and (1) aimed at sectors that capitalize on the local economy, (2) Tools, (3) Foundations, (4) Industry Support. Ms. Debets cautioned that when we organize using a sector approach, its important to consider rural area issues and how a sector approach might leave rural areas out of the grant process if we do not consider issues specific to rural areas. Therefore, our approach should be relevant to both urban and rural areas.

Is there a recommendation we can frame? Define self-sufficiency and perhaps use HUD criteria. A workgroup can work further on defining self-sufficiency. Why are we targeting? Can we tie our proposals into the work of the other committees?

Principles an advancing low-income worker proposal should include are:

- Collaborative
- Focus on industry sector that is cross-regional and relevant to both rural and urban areas
- Be accountable
- Increase use of foundation money
- Goal to gain self-sufficiency
- Commitment to the vision

Mr. Schell moved that the Committee approve sending the Advancing Low-Income Workers Initiative proposal to the full board with minor changes. Seconded by Mr. Rainey. All voted in favor and the motion was passed.

### **Action - Discussion and Approval of the Goods Movement Industry Sector Initiative Proposal**

David Illig briefed the Committee on the draft proposal in the agenda packet for Goods Movement, noting the proposal also includes the opportunity to address two sector initiatives: Heavy Construction and Logistics. In discussion, the Committee wanted to focus on the workforce need that is anticipated as a result of the investment in building up of the infrastructure to improve goods movement in the state.

Committee members expressed concerns that Goods Movement is not ready for the workforce that we would invest in preparing and that it would take billions of dollars and federal support to build up the infrastructure to support the growing industry. It was noted that the Governor has appointed a task force and they have a deliverable action plan due at the end of 2005. Addressing Goods Movement issues is something that already is underway and when the infrastructure is built, human resources will be needed to make goods movement work within the state.

The focus this proposal is not only on the urban communities that are experiencing current congestion due to goods movement, but also developing existing ports and other facilities that are under-used as well as new warehousing centers in more rural areas such as the San Joaquin Valley. These jobs, from the self-sufficiency standpoint, will benefit the community. This industry sector has many career ladders and helping people in the community will help the industry as well.

Members indicated that they would like to see industry support for this proposal. Specifically, the proposal should include industry partnering and financial commitments with local communities to emphasize joint investment. This proposal should stimulate efforts to develop goods movement locally to benefit the state.

Mike Curran framed the discussion as follows: The state needs to look at future investment in the workforce in this industry sector, as it will have a statewide effect. We have an opportunity to look at this in conjunction with the committee's first initiative focused on building self-sufficiency because this industry has many career ladders. We look for the industry to be co-invested (joint public and private funding) and targeting the local communities. The goal is to help the community, which will, in turn, help the industry.

Ms. Milnes moved that the Committee approve sending the Goods Movement proposal to the full board with minor changes. Seconded by Wayne Schell. All voted in favor and the motion was passed.

### **Action - Discussion and Approval of the Promising Strategies for Local Collaboration Guidance Proposal**

The policy guidance proposal elicited significant discussion. This discussion made clear that the draft document did not capture the Committee's views about what promising strategies policy guidance should include. Mr. Curran indicated that local boards already have many good ideas.

He also indicated that some alliances may be too big and that there is a lack of resources or promising practices. Ms. Milnes stressed the need to include strategies to move clients to self-sufficiency and that Los Angeles City WIB had been developing materials related to this issue.

Mr. Schell observed that a promising strategies guidance document could serve as a capacity building piece in the economic development world. He also indicated that the piece should work to include vocational education, adult education and CalWORKs (California's Welfare to work program). Finally, he indicated the document should include the role of K-12 education and the need for cross-training of program staff across the various workforce and economic development programs and education programs.

Ms. Debets indicated that she sees development of a policy guidance document as an opportunity to discuss systems that bring data based information to key stakeholders and to foster partnerships at the broadest level. She indicated that a key role is to help stakeholders and staff to get past methodologies and to focus on

- Clusters of opportunity
- Availability of LMI and other data
- Training on data analysis

Mr. Schell stressed the need to develop the appropriate data to support decisions economic and workforce development, and, ultimately, community development. Mr. Schell believes people are talking now and that one cannot force collaboration. Nonetheless, it is possible to provide guidance about what works to encourage collaborative environments and that talking about the economy and industry clusters brings people together. Both Ms. Debets and Mr. Schell indicated that key policymakers must agree to work together.

Mr. Rainey made several comments including:

- Planning should be coordinated across programs and community entities. Need to reach out to CBO's, unions, businesses, and others.
- Need to think in terms of regions rather than just jurisdictions and noted that legislation by former Senator Johnston supports this (referring to the Regional Workforce Preparation and Economic Development Act).
- Can use low income and poverty as a focus for the discussion.

Mr. Curran indicated that advancing workers is one of a number of strategies for focusing on community development. Ms. Milnes indicated that to engage business it is important to focus on industry clusters within which the businesses operate. Ms. Debets stated that the Committee be aware that there is no funding to work up data and analyze industry clusters. Mr. Mendlen concurred that from the employer's perspective, discussions need to convene around specific clusters and focus on demand driven approaches.

Ms. Debets shared information about a process she used in Humboldt County to bring leaders together and help them focus on how to support community needs. She had staff develop economic, demographic, industry, and labor market data about Humboldt County that combined to dispel a number of myths about the local economy. She then brought together CEO's and

other key leaders to discuss this information and develop short term action plans (nine week plans?). These leaders continue to meet and talk. Ms. Debets indicates that these need to focus on economic and community drivers, focus on developing results focused strategies and must be done quietly – not in public. Mr. Schell indicated that Sacramento County currently is working on a life sciences cluster using techniques similar to those used in Humboldt County.

Mr. Curran sees the policy guidance as providing ideas for developing a framework local areas or regions can use to convene so WIBs and others can develop strategies for workforce and economic development to support community development. Ms. Milnes and Ms. Debets indicated that defining regional strategies requires regional forums.

Mr. Curran ended this part of the meeting with the question, how do other states do this?

Ms. Debets moved that the Committee forward the policy guidance proposal to the State Board for consideration. Mr. Mendlen seconded. The Committee approved unanimously.

### **Public Comment**

Mr. Lopez of the Center for Employment Training made remarks during the discussion of the Advancing Low Income Worker proposal.

### **Next Steps**

Staff will poll members and participants for their availability for the second week of December to hold the next committee meeting.

### **Other Business that May Come Before the Committee**

The meeting adjourned at 1:45 p.m.

## **California Workforce Investment Board Proposal for Advancing Low Wage Workers**

### **Summary of Proposal**

In California, there are a significant number of long-time, mid-career low-wage workers with chronic barriers to higher paying employment. To address this problem, the California Workforce Investment Board (State Board), proposes to develop a local workforce training initiative that would support collaborative and sustainable training and work support strategies to improve the employment and earnings outcomes of chronic, mid-career low-wage workers in California, while supporting regional economic development. The initiative would produce a number of benefits by implementing collaborative strategies within the workforce and economic development system. These strategies would connect the functions and comparative advantages of each partner to target resources more effectively, while addressing the needs of chronic low-wage workers who desire to advance into higher paying jobs that improve self-sufficiency and the economy.

### **Statement of Problem**

A recent Employment Development Department (EDD) Labor Market Information Division analysis of Census Bureau data found about 1 million minimum wage workers in California (those earning no more than \$6.75 per hour). Of these minimum wage workers, about 573,000 workers are between the ages of 25 and 54, which suggests they are not recent entrants to the labor force (not still in school or of school age). Further, of the 1 million minimum wage workers in California, about 434,000 have less than a high school diploma, and at least 226,000 are in households where all adults speak only Spanish or some other language. About 556,000 of the minimum wage workers work at least 35 hours per week. An additional 1,638,000 low-wage workers earn \$6.76 to \$8.00 per hour.

A recent California Budget Project report examines low and very low income working families in California, where low income family is defined as a family with an income less than 200 percent of the federal poverty level, which is less than \$32,200 for a family of three. The report found that almost 91 percent of low-income families with children had income from employment. Low-income workers disproportionately are Latinos (63%) and about 40 percent of the state's low-income workers lack a high school diploma or GED. The Public Policy Institute of California also examined income and poverty trends in California and found striking trends in federal Census data. Arraying incomes from lowest to highest, they found several factors that contribute to this group's unstable employment and near poverty level incomes. These factors include; an increase in female-headed households, the rising value of education in the California labor market, which places a premium on workers with college degrees, and the increasing number of new immigrants in the labor force.

While most individuals escape minimum wage jobs over time and most families escape low-income status, a significant percentage of such individuals and families continue in minimum wage or low-income status. Workers most likely to remain at the low end of the income distribution frequently experience barriers to advancement including:

- Limited literacy, numeracy, or English language skills;
- Lack of affordable housing, child care, health care, or transportation to training and work sites;
- Lack of physical assets, financial literacy or social support systems; and
- Learning disabilities or other disabilities.

### **Project Description**

This initiative would support collaborative and sustainable, training and work support strategies to improve the employment and earnings outcomes of chronic and mid-career low-wage workers in California, while supporting regional economic development. A review of the literature suggests these strategies include efforts to support workers both in their current employment and in skill building so they can move to better paying jobs in industries or occupations with upward mobility. Generally, strategies of this kind bring together a variety of governmental and nongovernmental entities and employers to form partnerships and leverage resources to ensure low wage workers have the training and work supports needed to remain employed and to move into higher paying jobs. The more successful initiatives are data and outcome driven and use community based planning processes to identify appropriate partner resources needed to address issues associated with low wage employment. Successful initiatives also focus on industry sectors with a demand for workers and career paths that lead to upward wage and career mobility. They create incentives for employers to provide low wage employees higher wage employment opportunities after completion of training. Because these workers face significant barriers to advancement in the labor force, initiatives should include supports to address their unique needs.

Analysis of demonstration projects and lessons from experience reveal promising strategies that include:

- Partnerships between industry associations and employers, training and education entities, labor unions and employee associations, and support services entities with clear goals that address skill and personal barriers so low wage workers can move toward self sufficiency;
- Use of local workforce investment boards, workforce intermediaries, and economic development entities to link employers, employees and training and support services on an ongoing basis as workers move from job to job;
- Use of results-based community or regional planning to identify the needed mix of services;
- Organizing skill building efforts around the workplace to weave skill building into workers' schedules;

- Focus on industry sectors and occupational clusters with upward mobility that are germane to a region such as in rural or urban areas; and,
- Improved skill, wage and economic outcomes for both employees and employers.

### **Project Proposal**

State Board Targeting Resources Committee and Staff proposes to develop a local workforce training initiative that would foster more effective collaborative, and sustainable training and work support strategies to improve the employment and earnings outcomes of chronic, mid-career low wage workers, while improving economic development in California.

With approval from the State Board, staff would form a workgroup to delineate collaborative principles and guide development of the proposal. Workgroup members might include industry and labor representatives with knowledge of low wage and low skilled worker issues; local workforce investment board representatives who have implemented similar pilot programs; relevant state agency partner staff, independent subject matter experts, and individuals from non-profit foundations that have experience with demonstration projects designed to advance low income workers. Additional supporting information could be gleaned from the federal Department of Labor High Wage/High Growth Initiative experience. State Board, EDD, and Labor and Workforce Development Agency staff would develop the actual Solicitation for Proposals.

### **Anticipated Outcomes**

- **Policy Guidance, Technical Assistance, and Capacity Building.** The lessons learned from this initiative will inform workforce policy, technical assistance and capacity building to improve system effectiveness.
- **Collaborative Models.** This initiative would result in collaborative and partnership models that would improve the prospects of applicants to competitive proposal processes.

**California Workforce Investment Board  
Demonstration Project to Test Collaborative Strategies  
To Meet Employment Needs in the Goods Movement Sector**

**Summary of Proposal**

The purpose of this proposal is to promote innovative collaborative workforce development strategies that use resources effectively to reduce employment shortages in the goods movement industry sector. The demonstration project will highlight collaborative approaches to bring resources together from across the workforce development and other related funding streams, and to engage employer and employee associations. The models chosen will address the desire to increase the number of individuals with skills needed in heavy construction and in the growing logistics supply chain industry sector and will include co-investment by the industries in skill building and training. This proposal includes an evaluation component so the State Board and its partners can identify effective models and approaches to improving the supply of workers in the heavy construction industry sector and in the logistics industry sector.

**Statement of Problem**

The goods movement industry sector comprises the network of industries associated with moving goods into and out of California's ports – including borders with Mexico -- and cargo airports, transfer of those goods from one mode of transportation to another, and movement of those goods from port of entry to California's borders with other states and countries. Some definitions of this industry sector include associated warehousing, assembly, and breakdown and sorting of loads. The California Regional Economies Project recently published a monograph that examined the logistics supply chain (the goods movement sector overlaps the logistics supply chain), its potential for growth, and opportunities for well paying jobs. In addition to the potential for rapid growth statewide in California, Southern California currently is struggling to address congestion facing its ports, airports, rail lines, and freeways due to the volume of goods moving through the region.

During the first year of the Schwarzenegger Administration, challenges facing the goods movement sector became an area of concern regarding recovery for California's economy. Out of these early analyses of the problems, opportunities, and challenges facing the future of goods movement, the Administration developed a Goods Movement Policy, "Goods Movement in California" released in January of 2005. This policy resulted in the formation of the Goods Movement Working Group and development of a two-phase Goods Movement Action Plan. This interagency task force took a comprehensive look at goods movement as a growth industry, the infrastructure and other problems facing the sector, and began to identify its growth potential and employment needs. Phase I of the Action Plan focused on the "why" and the "what" of the economic importance of

California's goods movement system and industries, the in-place infrastructure, and the extraordinary potential for growth. -Phase I also identified a set of five focused work groups tasked with "defining the 'how,' 'when,' and 'who' required to synchronize and to integrate efforts to achieve relief as quickly as possible." The Phase II report, based on the findings from these workgroups is due in December.

It is clear from discussions with senior staff of the Cabinet Goods Movement Working Group that two major industry sectors will be affected by this action plan. These industry sectors are heavy construction and logistics. The Goods Movement Action Plan highlights the need to prepare California's workforce to fill jobs within industries that have significant statewide potential for growth in a rapidly changing economy in California.

Heavy construction is critical to the state's ability to reduce congestion across the entire port-to-border space by improving existing, and building new transportation corridors for transporting goods across the state. Ports, rails, roads, and airports are the lifelines of this industry. Improvement projects that already are underway, as well as improvements that are needed have been identified to add capacity and reduce congestion in the state's four major "port-to-border" corridors: Los Angeles-Long Beach/Inland Empire, Bay Area, San Diego/Border, and Central Valley. Construction workers also will be needed to build and improve large complexes and warehouses that support break down and repacking of container contents, container sorting, light manufacturing and assembly, and transfer of containers from one mode of transportation to another.

### **Project Description**

Over the last two decades, there has been much interest in finding ways to improve partnerships and collaboration across workforce and economic development, and education programs to improve efforts to ensure that workers have the skills employers need to operate their businesses. This interest led to a number of efforts by government agencies, employer and worker groups, and private funders to test ideas to improve collaboration and partnerships. Many of these efforts found that targeting an industry sector facing labor shortages is an effective way to focus collaborative efforts.

Generally, these efforts bring partners to the table to reach agreement on the problems and priorities, and to identify the resources each partner can contribute to the project based on the specific industry sector's needs. Typically, these initiatives include a set of strategies that focus on initial skill training that results in the first job as well as strategies to support workers both in their current employment and in skill building so those workers can move to better paying jobs. These initiatives also attempt to intervene at several levels simultaneously in order to address both the immediate shortages and build a pipeline of workers who can move from lower paying occupations to higher paying occupations over time. Finally, many recent initiatives include use of third party labor market

intermediaries as an effective way to organize the services and match employees to needed services and training, and with employers.

The specific partnerships that might arise out of this initiative would vary depending on the specific local or regional problems identified and the approach chosen for solving them. Notwithstanding the generally situation-specific nature of such initiatives, the initiatives that show most promise in the literature use data to quantify needs and use community level results-based planning processes establish goals and priorities, and to bring together the partners needed to solve the problems identified. These partnerships generally include local philanthropic organizations as well as a variety of workforce and economic development entities, education providers, employers and worker groups to organize the specific set of services used.

This initiative could result in a series of comprehensive local or regional projects designed to demonstrate the principles of collaboration and partnership building to address workforce and employer needs in two industry clusters critical to the continued growth of the goods movement sector. One sector is the heavy construction sector, which will be in the front line of efforts to reduce infrastructure congestion. The second sector is the logistics supply chain, which includes the workers that load and unload cargos, operate trucks and rail lines, and warehouse and other facilities where goods are assembled, sorted, and transferred from one transportation mode to another. Both the heavy construction and logistics industry sectors are attractive sectors within which to develop demonstration projects because they have many career ladders, offer good-paying jobs, and face shortages of qualified workers. The Committee will assess various options for promoting demonstration projects.

A key goal of the initiative is to develop an understanding about how partner resources can and cannot be used to support comprehensive partnerships. As a result, it is contemplated that this initiative will emphasize planning efforts, development of effective partnerships, identifying gaps in partner resources that arise as a result limitations of the partners, and engaging industry partners at all levels of the initiative including participation in investments in training and skill development. Another goal of the initiative is to build the capacity of local areas to address local and regional problems in more coherent and effective ways using local and regional resources available by forming productive partnerships across the workforce and economic development community – and share that learning.

### **Benefits**

Conducting a demonstration project that supports employment growth in the goods movement industry sector produces a number of benefits. They include:

- 1) The Goods Movement Industry Sector initiative has statewide implications.

- 2) The Goods Movement Industry is an excellent way to demonstrate how partnerships between federal, state, and local entities can make a huge economic impact in California.
- 3) This initiative offers opportunities to test several aspects of local and regional collaboration and shared investment as well as offering opportunities to test ways to advance low income workers and support employment in industries with high wage, high growth potential.

## **Proposal to Develop Guidance for Strategies to Support Improved Local and Regional Collaboration**

The purpose of this proposal is to identify and support the deployment of promising strategies to improve the ability of WIBs, coalitions of WIBs and the State Board, with their workforce and economic development, labor, and education partners, to use public and private resources more effectively to foster sustainable economic growth that supports the creation and retention of a desired job base for Californians. Because Workforce Investment Act funding is limited, it is imperative that the State identify and support development of program and system linkages at the local and regional levels to develop a more coherent system. A desired outcome for this proposal is that it results in a framework, processes, and resources to increase the capacity of State and local Workforce Investment Boards to engage local workforce and economic development, educational, business, labor, and community partners so they can form partnerships to act on opportunities that enhance the competitive advantage of their region.

In framing this proposal, the Committee made the following observations:

- Local areas already have lots of good ideas for collaborating and partnering.
- The State Board should focus on state level alliances that target efforts at the local/regional level necessary to provide leadership for cross system capacity building.
- Look to other states for emerging ideas about pursuing state level cross system partnerships, and cross agency investments in the One Stops.
- Collaboration is a process for solving problems and achieving goals -- not the goal, itself.
- Obstacles to greater collaboration include funding reductions, over-extended staff, lack of shared knowledge about opportunities for collaboration, and limited new resources for joint planning.
- Initiatives should focus on industry sectors and industry clusters of opportunity regionally because such a focus allows for development of pipelines into employment for new entrants and opportunities for upward wage mobility and opportunities for movement to economic self-sufficiency for workers.
- Local economies and industry sectors generally span areas larger than One Stop and LWIA geopolitical boundaries, and are affected by local, regional, statewide, and national influences.
- Industry clusters and shifting local alliances affect regional boundaries; consequently, strategies to support local/regional economies need to be dynamic and adaptive.
- There must be a wise balance between supporting “home grown,” organic initiatives and challenging partners to think more expansively.

Principles for the selection of promising strategy could include:

- Support data-driven decision processes that identify problems and establish outcomes.
- Attract multiple investors and multiple contributors with a focus on management-labor-government partnerships targeted to critical regional industry sectors and industry clusters of opportunity.
- The role of the state is to target strategies to attain high growth, high wage, and employment sustainability goals; improve understanding of skill and training needs of targeted populations; and create incentives to form regional collaborative and partnership activity.
- Ensure collective ownership of the process and the outcomes.
- Commit to both analysis and action.
- Use a broad definition of Return on Investment (or Return to Community) that includes: Workforce Development, Economic Development and Community Development.

A recent example of a promising practice that meets these criteria is a recent State initiative that created a joint funding venture with San Francisco bay area foundations (The Bay Area Funding Collaborative). This initiative attempted to foster strategic and collective approaches to fund innovative efforts in the allied health occupations. This regional industry sector initiative stretches beyond the sphere of influence of any given bay area LWIB. It made new resources available going beyond the inherent limitations of WIA funding, fostered “out of the box” thinking, and encouraged experimentation. Finally, it created a learning community for the grant recipients so recipients can develop the ability to nurture information sharing, problem solving, and evaluation.

Another example of a promising practice is the development of “High-Road” partnerships --industry sector-focused labor-management-government training initiatives that capitalize on the shared interest for a skilled, stable, and productive workforce. High-road partnerships shift the primary market incentive to increasing productivity and quality through a long-term commitment and investment in the industry, the workforce, and the community. These projects increase training capacity targeted to industry needs, usually have career ladders built in, create access to training for low skilled workers, involve jobs that have relatively high wages and benefits, and maintain the competitiveness of union employers. Such partnerships exist or are under development in California and many other states.

Notable examples of this high-road partnership include the healthcare partnership that has jointly developed healthcare career ladder training with the community colleges and Local Boards across the state; the coordinated work of the maritime industry with unions representing maritime workers to address a critical workforce shortage in the industry; the hospitality industry partnership with upscale convention hotels in the cities of San

Francisco, Los Angeles, San Diego and San Jose; and the partnership in the biotech industry to move displaced airport workers into biotech manufacturing.

### **Overview of Proposed Actions**

- Develop policy guidance on promising strategies for collaborating and partnering across the workforce and economic development, employer and employee groups, and educational systems at the state, regional, and local level to further employer, employee, and community well being.
- Develop an understanding of capacity building needs and opportunities to foster more effective partnerships and collaborations, and generate appropriate investment resources.
- Identify options to increase funding from the various One-Stop partners that is targeted to supporting the One-Stop infrastructure and service delivery.