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REGIONAL STRATEGIES IN WORKFORCE DEVELOPMENT



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Introduction

Contemporary thinking about economic development, innovation, and competitiveness points policy makers to organizing around regions as an emerging effective strategy.

A leading interpreter of America's responsiveness to changing economic forces, the Council on Competitiveness states:

In our global economy, place matters more than ever. Even as technology, capital, and knowledge diffuse internationally, the levers of national prosperity are, in fact, becoming more localized. As talented people and new ideas become the most critical drivers of economic growth, regional economic conditions have assumed greater importance. Regions that can attract talented residents and support the development of highly innovative firms will support great prosperity.
(www.compete.org/nri)

Whether it be through the Department of Labor's current signature initiative, WIRED (Workforce Innovation in Regional Economic Development), or as applied to program strategy by such groups as the National Network of Sector Partners, regional strategies have entered the workforce arena broadly and in force. Through a diversity of local applications, regionalism has become a major component of our professional workforce landscape.

With this growth in regional strategies in mind, the purpose of this paper is to:

- identify common features, roots and purposes of regional initiatives in workforce development,
- highlight the opportunities and challenges in regionalism,
- describe some models of regional investment,
- summarize lessons learned through local and regional experience, and
- provide links to several resources on regionalism in workforce development.

While not intended as an exhaustive summary on the subject—and recognizing this overview accords too little credit to the creativity and diversity of regional initiatives already in practice throughout California—it is our hope and intent that this paper will stimulate local imagination on how to identify and approach regional workforce concerns and point to some solutions and resources for addressing them.



What Is Regionalism in Workforce Development?

Recognizing that today's workforce problems and solutions transcend geo-political boundaries and even labor market areas, regional initiatives seek solutions by dramatically improving the collaboration among workforce, economic development and education.

There is no single definition of a region. It is fixed neither geographically nor politically. Rather, a "region" is defined by the nature of the workforce problem and the resources essential for effective response. Any single Local Workforce Board or other intermediary may be involved in multiple regional initiatives, each of them reaching across different boundaries.

Workforce regionalism draws from several existing initiatives involving other disciplines. In California, there is a history of local governments working regionally on transportation, air quality, water resources and other regional planning issues.

The California Center for Regional Leadership (CCRL), for example, seeks to support, facilitate and promote innovative regional solutions for the state's major economic, environmental and societal challenges. The Alliance for Regional Stewardship serves as coach and advisor to regional leaders and civic entrepreneurs on the strategies and tactics that lead to results. California's Regional Economies Project uses a regional strategy to better understand how the economy is changing, where the changes are concentrated, and what catalysts and conditions are causing those changes.

The Council on Competitiveness has noted that regional workforce and economic development strategies formerly focused primarily on coordinated efforts in business attraction. More recent efforts in workforce regionalism focus on the development of human capital to fuel knowledge intensive industries and on the skills essential for American worker prosperity. The nature and depth of challenges for business to remain competitive today are driving new and more expansive—that is, regional—efforts to gather all of the resources essential to create a prosperous economy sustained by innovation.

Each of these groups seeks regional solutions not by advocating for changes in boundaries or organizational structure, rather by improving how community leaders understand their circumstance and by building the skills essential to working across existing boundaries or barriers.

A common feature of regional efforts is their intent to achieve or advance more sustainable and competitive communities. As an outgrowth of community development, and promoted by such grant makers as the Ford and Irvine Foundations, regional efforts have sought a balance among economic opportunity, environmental balance, and social equity.

Such vision for economic sustainability and social equity is a natural link to contemporary thinking in workforce development (see, for example, CWA's "Building Communities with a Competitive Workforce Advantage"). The growth, particularly, of

industry sector initiatives in workforce development, has borrowed freely from the goals of serving business and worker prosperity across regions.

See the Resources section at the end of this paper for links to the organizations referenced above and to other leaders in regional movements.

Opportunities and Challenges

Developing a regional strategy is an often complicated and difficult challenge, crossing geo-political lines and institutional boundaries. In most states, economic development agencies are city or county based, and there are typically multiple school districts, community colleges, Workforce Investment Boards (WIBs), and other sets of community organizations, each with their own boundaries. Further confounding the issues are changing labor markets, jobs moving from city centers, inadequate public transportation, and shifts in places where people work and live.

The payoff for investing in regional strategies is the improved opportunity to craft solutions more responsive to the larger labor market forces of our times: increasing competition in a rapidly globalizing economy; dramatically changing worker demographics; and higher requirements and expectations for skills among all workers, at every wage level.

The list of opportunities and challenges is long, with each new applied experience uncovering nuances that contribute to our collective knowledge. Following is a short list of some of the most commonly identified opportunities and challenges.

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- Regionalism builds on long experience in workforce development for building partnerships, investing in—and surviving by—collaboration;
- Promotes broader understanding of the forces impacting local industry and worker opportunity;
- Consistent with the shift to demand driven models, seeks resources for solutions responsive to industry, not limited by geo-political boundaries;
- Provides more focused and coherent response to employer needs;
- Facilitates connections among partners not likely otherwise introduced;
- Solutions oriented, sharpens focus on specific industry, issue, or labor market problems in the region.

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- Developing regional collaborations often takes a long lead time and continuing commitment and resources to maintain;
- Requires constant vigilance for changes in the conditions that generated them, adaptability to adjust;
- Requires complicated coordination among multiple fund sources, and often continuous search for new resources not previously accessed.

Regional Strategy Models

There are a number of ways that regional workforce strategies can be organized and delivered. Following below are summaries of four models for regional workforce development. As part of the summaries we identify some inherent strengths and weaknesses of each.

Although described as distinct approaches, the models are not mutually exclusive and in fact might often be implemented at the same time.

Organize around Sectors

Many local areas and, indeed, whole states have adopted a regional industry sector-based approach. In these areas, collaboratives made up of employers within an industry sector partner with a broad range of economic development, workforce development and education organizations to address the talent needs of the industry.

Workforce Investment Boards (WIBs), local economic development agencies and community colleges are increasingly focused on key industry sectors within a region. Industries however, are rarely contained within neat geo-political boundaries, as they are shaped by hard infrastructure such as roads and energy supply, and other aspects of a labor market such as commute patterns and suppliers' locations. When organizations choose to focus on an industry sector within a region, the configuration of partnerships depends on the shape of the industry. Throughout the country, industry-based partnerships have developed based on the geography of that industry, rather than fixed geo-political regions.

In California, for example, WIBs in the Silicon Valley, the East (San Francisco) Bay and San Diego collaborate to provide worker skills and human resource solutions tailored to the needs of the biotech industry in their regions. The same WIBs work with different partners when focusing on health care or manufacturing. WIBs in the Central Valley may work with a WIB to the north on the logistics industry, and a WIB to the south on agriculture.

Michigan has implemented Michigan Regional Skills Alliances (MiRSAs). "MiRSAs are locally managed partnerships formed to address strategic workforce issues affecting groups of firms operating in the same industry in a specific region." They include local economic development organizations, Workforce Investment Boards, representatives of local businesses, K-12 education, community colleges and universities, and workforce agencies (see www.michigan.gov/rsa).

Washington State has invested in 40 industry skill panels, comprised of public/private partnerships including business, labor and education, "working together to improve the skills of workers in industries vital to Washington's economy." These panels focus on (www.wtb.wa.gov/IndustrySkillPanel.asp):

- Workers with better skills, jobs, and career opportunities;
- Employers with more efficiency, less turnover, and higher profits;
- Expansion of skill standards to meet employer needs;
- Educational programs that address key economic clusters and on-the-job learning strategies;
- Local and state information about employers' skill needs; and

- Policy recommendations based on real-time information.

In Pennsylvania, Industry Partnerships are being funded “to help connect and meet the needs of both workers and businesses. Industry Partnerships bring together multiple employers, and workers or worker representatives when appropriate, in the same industry cluster to address common or overlapping human capital needs” (www.nwpawib.org/partnerships_initiatives.htm).

Using a model adapted from the City of Boston, a group of foundations in the Bay Area have partnered with the State of California to develop the Bay Area Workforce Funding Collaborative, targeting health care and life sciences. Although this is primarily a regional approach to pooling funding, rather than an approach that funds regional initiatives, it is a promising public-private model that is beginning to look at regional issues (www.sff.org/programs/community-development).

Several organizations provide excellent resources and analysis on industry sector strategies. We recommend two in particular: the National Network of Sector Partners and the Aspen Institute’s Workforce Strategies Initiative. Links to each are included in the References section at the end of this paper.

Organize around Issues

A second model for regional strategy is one focused on issues such as transportation, housing, or educational reform. This can take the form of partners collaborating informally, but can also be comprised of new structures. For example, Councils of Governments, Metropolitan Planning Authorities and Organizations, Joint Power Authorities and other regional organizations have often been implemented to tackle specific regional issues such as transportation or air quality.

A common feature to issue-based workforce initiatives is to focus strategically on quality of life and long-range economic sustainability, while linking employment preparation and opportunity as both catalyst and outcome for taking on the issue.

By the nature of the issues selected, many of these initiatives are more place-based than industry sector models, but also exhibit variations in regional boundaries, depending on the issue. They also intersect with industry sector approaches, as often solutions for recruiting and retaining talent in an industry are based not only in building skills but in other domains. One of the key issues for the health care industry in Marin County, for example, is affordable housing. The region as a whole may decide to focus on health care, but within that region, different local labor markets may have different root causes for a worker shortage.

Two relatively new and evolving sets of regional initiatives in particular, that cross somewhere between sector and issue-based strategies, merit special attention.

First is the growing focus on issues relating to a “green” or sustainable economy. While a lot of work has already been completed in certain regions to identify the industries and occupations that make up a “green sector,” these campaigns remain at least equally focused on quality of life. Green economy initiatives join labor and en-

vironmental advocates formerly at odds on job creation policy and build coalitions across regions with a focus on a shared environment, usually without regard for existing political structures.

Providing leadership on both a national and regional basis is the Apollo Alliance. Organized to move “policy and projects that advance clean energy and good jobs,” the Alliance positions itself as “on the ground establishing local alliances of labor, environmental, community and business representatives” (<http://home.apolloalliance.org>). In California, a statewide Apollo Alliance coalition champions an agenda of job creation, energy savings and environmental benefits. Locally, there are initiatives based in Oakland and Los Angeles, the former organized around a successful campaign to start a new “green jobs corps,” the latter on green building manufacturing, construction and maintenance.

Nationally, the green jobs agenda picked up momentum in the 110th Congress, with the House approving an amendment to WIA as part of its Energy Bill. The amendment establishes the Green Jobs Act of 2007, and creates an “Energy Efficiency and Renewable Energy Worker Training Program.” The Senate energy bill contains slightly different language so the two chambers are in Conference to agree on details. When finalized, the Green Jobs Act will direct a new \$125 million appropriation for workforce training with respect to renewable energy and energy efficiency technologies and for related labor market research (http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h2847rh.txt.pdf).

The second set of initiatives falling somewhere between strictly sector- or issue-based are those focused on *innovation* as essential to regional economic competitiveness. While difficult to define as a single issue, the idea of innovation as a central organizing strategy has caught fire not only in the private sector, but has come to drive new federal policy as well.

An important achievement of the 110th Congress is the signing into law of the America Competes Act of 2007 (S. 761), which seeks to assure America’s competitiveness through advancing an innovation-based economic model and investment in “21st century job training” science.house.gov/legislation/leg_highlights_detail.aspx?NewsID=1938

Sponsors of the bill cite the National Academies’ “Rising Above the Gathering Storm” and the Council on Competitiveness’ “Innovate America” Reports, both of which promote increased investment in research, strengthening educational opportunities in science, technology, engineering and mathematics (STEM), and development of a national innovation infrastructure. Both studies and the new legislation posit that America’s economic competitiveness is inextricably tied to its success in promoting innovation in industry and by the skills of the American workforce.

The Department of Labor’s WIRED initiative relies heavily on the work of the Council on Competitiveness to promote regional strategies organized around innovation. In one of two WIRED initiatives in California, the California Space Authority has partnered with the California Labor and Workforce Development Agency and over 60 in-

dustry, education, workforce and economic development agencies to marshal resources to move more innovation to market in the California Innovation Corridor, from the East Bay and Silicon Valley south to San Diego (see <http://innovatecalifornia.net/>).

For information on issue-based regional strategies generally, we recommend consulting the California Center for Regional Leadership and the Alliance for Regional Stewardship. While not dedicated specifically to issue-based strategies, their links to resources and models or “blueprints” on regional collaboration are extremely useful.

Organize around Data, Customers and Markets

A third way to approach regional strategy is to look at the data and develop a deep understanding of local labor markets, demographics, and markets. This approach may entail asset mapping and focusing on building the brand of a geographic region.

In California, regional organizations such as Joint Venture Silicon Valley, Valley Vision, and the Great Valley Center were established by employers and “civic entrepreneurs” to address regional issues; the more recently created San Joaquin Valley Partnership was established through the Governor’s Office for the same purpose.

Many regional initiatives have gained momentum over the last several years through regional Asset-Mapping initiatives, State of the Workforce Reports and by Regional Economic Indicator projects. Many of these are led by Local Workforce Investment Boards—often in partnership with Chambers of Commerce and other economic development entities—and many in California have found support through the Irvine Foundation and through the California Center on Regional Leadership.

Importantly, the data-gathering dimensions of these initiatives serve as precursors to developing and organizing more issue or sector specific campaigns. The process of defining regional issues, gathering and interpreting the data, contributes to the identity of a region and helps identify, and quantify, regional strengths and weaknesses.

Several Local Workforce Areas have excelled in generating such analyses, including the San Diego Workforce Partnership and the Orange County Workforce Board. Recent work led by the Humboldt County Workforce Board and State Labor Market Information Division, on North Coast Targets of Opportunity, is especially instructive (see www.humboldtwib.com).

Reorganize or Change Structures

The fourth way to focus on regions is to change or reorganize structure. Because most geo-political boundaries are established in state and federal law, and/or sacrosanct because of political turf and complicated sets of objectives, rules and incentives, this is generally the most difficult strategy to implement.

In California, the administrative arm of many WIBs is co-housed with either an economic development department or a welfare agency. This provides a platform for leveraging resources and collaborating in serving customers. The strongest example is in Stanislaus County, where the WIB and the Stanislaus Economic Development Corporation merged into a single board and a single administrative agency.

Because of the extraordinary difficulty in changing long-standing administrative or political structures, a formal re-drawing of boundaries is not a common practice. Another barrier to changing boundaries to advance a regional agenda is that, by their nature, regional initiatives shift boundaries as circumstances change. The effort put into such structural change—and the enmity it often generates—may distract from the more immediate benefit and need for building collaborative relationships.

An example of where regionalism has been pursued by changing boundaries is the State of Indiana, which implemented a wholesale structural change to the administration of workforce programs. In 2006 the state consolidated to a single statewide workforce area (with the exception of the City of Indianapolis, which has opposed the consolidation and maintained its independent status as prescribed in federal law) then re-bid its local areas to new organizations—many of them former Local Workforce Boards—using defined economic regions as the foundation for the organizational structure and competition. These newly defined “local areas” continue most of the same service functions as prescribed for Local Areas by the Workforce Investment Act, but without either the mandates or protections of the Act. Instead, these newly funded entities are dedicated more to coordinating regional, industry sector initiatives, with the industry priorities determined by a prior statewide analysis of Indiana’s regional economies. See www.state.in.us/dwd.

California explored the possibilities of such a consolidation of Workforce Areas in 2004, through the work of the California Performance Review Commission. Local leadership and CWA pointed out that the leveraged funds already accessed through existing partnerships with city and county run community and economic development and welfare reform programs was substantially greater than any suggested administrative savings. We were also concerned that the consolidation would distance hundreds of local business leaders who were already directly engaged through the existing network of Local Workforce Boards. Owing to these and other concerns the Commission’s proposal for consolidation in California was never implemented.

For such administrative re-structuring to be effective, it is important to examine what problem the adjustment is intended to fix. Consolidation for the sake of streamlining administrative management is not likely to pay dividends. If the goal is to improve leveraging resources, the effort might be counter-productive, as local political jurisdictions, at least in the short term, may object to any new structural disconnect of workforce leadership to local political goals. Cities and counties may be reluctant to invest in new regional organizations. By contrast, if the goal is to restructure the workforce system to one dedicated to the state’s definition of regional economic priorities, without regard to local leadership defining those priorities and designing program responses, then the model of changing boundaries is suited to a state-driven solution.

Lessons Learned for Implementation

Developing public policy to encourage regional economic and workforce development strategy is a complex task. The following summarizes some of the practical lessons learned by regional collaborations.

Mission-driven: California’s leaders in regional workforce initiatives point to the need for agreement on the mission of the initiative, assuring there is a coherence of purpose and buy-in to common goals. In sector-based regional initiatives, such “mission,” for example, might be formed around industry needs for a skilled workforce, dedicated to closing a regional skills gap. Activities might be focused on accessing training funds and designing a demand-driven curriculum, or dedicated to attracting a hidden labor pool.

Being mission-driven also means designing appropriate performance goals and measures of success. Few initiatives, particularly those as difficult to start and maintain as regional projects, succeed without clear benchmarks for success.

Long lead time, patience in development: It follows that developing a mission-driven initiative will require long lead time for building partnerships and identifying resources. Most successful regional initiatives are not organized only to implement a single grant-based program, rather are organized to solve a larger concern. While it is important to emphasize the time and patience this takes, it is equally important that the focus on mission serves to maintain a commitment and urgency for results.

Dedicated staff and resources: Most successful regional projects establish dedicated staff to assure consistency and continuity of effort. This may involve a delicate balancing act. First, the lesson is clear that building most regional partnerships requires the development of such a high level of specialized knowledge of industries or complex issues that it cannot be done effectively as a part-time responsibility. Such dedicated staff must also be of a high enough level that the staff has access to public sector partner executive leadership and sufficient to be credible with, and trusted by, industry partners.

As a matter of caution, however, in dedicating professional staff, the partners must be vigilant that while they are establishing the right level of empowered leadership, they are decidedly careful not to move the project’s ownership to one person’s hands. The partners as a whole must remain engaged and communicating regularly.

Just as regional initiatives require dedicated expertise, partners must also agree to sufficiently fund the operation. This may include the partners’ commitment of their own or usual resources, but also extend to new assets, including those previously unfamiliar. With the right connection of partners in the regional initiative, there is opportunity to play to the strengths of each organization.

Partnership incentives, shared benefit, partner roles: An important lesson from studies on collaboration is that the members of any regional initiative must

constantly look to assure that all partners are finding reward and benefit by participating. Though each partners' contribution may be essential to success, there will inevitably be imbalances at any point in effort and gain. Recognizing that, the internal maintenance of the regional commitment requires a constant checking-in and, ideally, an investment in the partners such that adds to their unique mission, both as connected to and independent of the collaboration.

One strategy for keeping partners connected is to incentivize their participation. This might be achieved by rotating responsibilities, creating new opportunities for learning and leadership, and exposure to new resources. While promoting roles for other participating organizations, it is essential that each partner accept that they are not solely in control of the agenda.

Such attention to the needs of partners is particularly crucial in working with the private sector, whose motives for participation may be altruistic but are more certainly driven by profit and loss and immediately recognizable benefit.

Good information, consistent communication: While in our discussion of different models above we identify one model of regional initiatives as organized around labor market information, the need for quality information extends to each model. A depth understanding of regional economic indicators, or of regional competitive advantage or disadvantage, is crucial for building partnerships, maintaining them and for measuring success.

An important part of managing the information is how it is communicated both internally to partners and externally to the broader public. One effective strategy is to brand the regional initiative, giving voice to its purpose, values and benefits. An important balance here is to make sure that such branding does not interfere with the autonomy of the separate partners. The regional initiative will not be the only thing most groups do. Just as each regional initiative needs its own defined character, so too does each partner need to maintain its own unique identity.

Resources for Regional Workforce Development

Following is a short list of organizations that provide resources on regional strategies and information on strategies already in play. Two of them, the Aspen Institute's Workforce Strategies Center and the National Network of Sector Partners, are more specifically dedicated to regionalism through industry sector activities. The UC Santa Cruz, Center for Justice link, is to a specific report supported by the Ford Foundation.

- Alliance for Regional Leadership, www.regionalstewardship.org
- Apollo Alliance, www.apolloalliance.org/state_and_local
- Aspen Institute, Workforce Strategies Center, www.aspenwsi.org
- California Center for Regional Leadership, www.calregions.org
- California Economic Strategy Panel and Regional Economies Project, www.labor.ca.gov/panel
- California's EDGE Campaign, www.californiaedgecampaign.org
- Council on Competitiveness, www.compete.org
- National Network of Sector Partners, www.nedlc.org/nnspp
- UC Santa Cruz, Center for Justice, Tolerance and Community, "Edging Toward Equity: Creating Shared Opportunity in America's Regions," http://cjtc.ucsc.edu/docs/r_full_core_edging_toward_equity.pdf
- US Dept. of Labor, Employment & Training Administration, Workforce Innovation in Regional Economic Development, www.doleta.gov/wired

There are also several successful regional workforce partnerships in California.

- Bay Area Funding Collaborative, www.sff.org/programs/community-development
- California Partnership for the San Joaquin Valley, www.greatvalley.org/sjpartnership/index.aspx
- California Space Authority, California Innovation Corridor WIRED Project, www.californiaspaceauthority.org/html/wired/ and the Innovate California Network, <http://innovatecalifornia.net/>
- East Bay Works, www.eastbayworks.org
- North Bay Employment Connection, www.northbayemployment.org
- Sacramento Partnership for Prosperity, www.valleyvision.org/partnership/faq-1.html and www.seta.net
- South Bay WIB, Regional TANF, Aerospace Network, www.sbwib.org

This, of course, is only a partial and preliminary listing. The lessons learned through these and other partnerships in California continue to contribute to the body of practical knowledge on regional strategies. The contact points for these several initiatives are not intended as an exhaustive list, rather only as entry points for learning about California's rich and on-going investment in regional strategies through local leadership.