

## *California Strategic Planning Update*

### **Background**

In meeting the requirements of California's Workforce Training Act, the intent of the California Workforce Investment Board (State Board) has been to go beyond the development of a traditional strategic plan to the implementation of an *evolving workforce development strategy* which is responsive to the State's dynamic economy.

State government can play a key role in providing leadership and resources to the systems most involved in the development of California's workforce, but it is the efforts of regional and local partnerships that produce the talent needed to keep any given sector viable in a local economy.

To this end, it is essential that State, Regional and Local leaders participate in a continuous dialogue about effective local and regional workforce development models, identifying and showcasing innovative practices which exemplify a comprehensive workforce system. Additionally, it is important that workforce system leaders from diverse organizations understand California's economy, the regional and local economic climates in their areas, and have specific economic and labor market information that allows them to think, plan, invest in and develop strategically, now, and in the future.

Following the assumptions outlined above, the approach used by the State Board in pursuit of an effective workforce development strategy has been two pronged. One focus has been on bringing local Boards and their community leaders together for dialogue, and the second has been on providing access to data which can serve as the foundation for strategic decision-making.

1. Using ***Regional Transformation Roundtables***, the State Board asked local and regional workforce partners to engage in a state-wide dialogue to:
  - Identify effective workforce development practices,
  - Discuss ways these practices may be brought to larger scale as part of the Comprehensive Workforce System,
  - Identify opportunities for policy development to speed the development of such a system,
  - Discuss the Industry Clusters of Opportunity Methodology as a tool for data driven decision-making, and
  - Receive input on ways the State Board could organize its work to more frequently and effectively partner with local and regional efforts.

To date, the State Board has convened six Regional Transformation Roundtables.

- Southern California roundtable -- December 13, 2007 in San Bernardino.
- Northern California roundtable -- January 7, 2008 in Oroville.
- Central Valley roundtable -- January 14, 2008 in Merced.
- Central Coast and Bay Area roundtable -- March 28, 2008 in Oakland.

- LA County area roundtable -- April 9, 2008, in Ventura.
  - Sacramento Area roundtable -- June 23, 2008, in Sacramento.
2. Encouraging ***Data Driven Decision-Making*** as the foundation for strategic action, the **Industry Clusters of Opportunity Methodology (ICM)**, a product of the Economic Strategy Panel, has been presented throughout the state in order to demonstrate the value that common economic data and labor market information have in strategic decision-making at the State, Regional and Local levels. An off-shoot of The California Regional Economies Project (*CREP*), the ICM model uses a unique data analysis methodology which presents economic trend and occupational demand information in a manner that allows cross-disciplinary planning teams the foundation for “big picture” thinking about their localities and regions and provides them with meaningful insights into key industry sectors.

In 2007, six training sessions were delivered to nearly 20 local/regional teams. Seven additional training sessions are scheduled for delivery in 2008-09. Two of the seven sessions were conducted on the 11<sup>th</sup> and 12<sup>th</sup> of September in the Los Angeles region. Plans for the provision of technical assistance and guidance to partnerships indicating a desire to utilize the ICM as the foundation for strategic action and program alignment are under negotiation.

## Looking Forward

In consideration of the themes which emerged from the Regional Transformation Roundtables, innovative practices that have been recognized throughout the state and across the nation, and recent legislation (both enacted and under consideration); organizing the future work of the State Board around Industry Sectors is recommended. Utilizing the Special Committees of the Board as vehicles for engaging in the study of industry sectors critical to California’s economy will provide a framework for development of effective sector initiatives and promote strategic engagement for the State Board at the Regional and Local levels.

### *What are Sector Strategies?*

Sector Strategies achieve State, Regional, and Local objectives by working across educational, workforce and economic development systems to address the workforce issues that are unique to a specific industry and region. This type of workforce development strategy is both industry-driven and regionally-based and requires a strategic partner, or workforce intermediary to:

- Convene stakeholders to form a network of partners based on shared goals,
- Identify and promulgate economic and labor market trends, and
- Measuring progress towards achieving shared objectives.

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 over a sustained time period, providing customized solutions to multiple employers with a region,
- Led by a strategic partner (workforce intermediary) that is very much aware of the challenges and opportunities of workers and employers in an industry,
- Bring together stakeholders to develop and implement industry-driven human resource solutions,
- Provide workers with training and career pathways that lead to good jobs and career advancement opportunities, and
- Promote system changes, such as leveraging and aligning public and private resources to mutually benefit workers and employers.

California's innovation-driven and knowledge-based economy will continue to face challenges stemming from global competition, advancing technology, as well as evolving economic, workforce, education and environmental policies. These market forces are clearly exemplified in the growing interest around California's Green economy, and the demand for "Green" products, processes and services. Industries require a workforce that is able to function in a workplace that is technologically advanced and innovative. Additional emphasis is given to the Green Economy by the publication of *"Clean Technology and the Green Economy: Growing Products, Services, Businesses and Jobs in California's Value Network"*, another monograph in a series of studies produced by the CREP. The monograph's primary objective is to help define California's green economy and to assist leaders with answers to the following questions:

- What is the definition of "green?"
- What makes up the green economy?
- What jobs will be impacted and what new jobs are being created?
- What policy issues need to be addressed?

The Greening of the economy and demographic shifts occurring in California and throughout the nation will also affect businesses. Increasingly, businesses will compete for well-educated and highly skilled workers as they attempt to replace the human resources lost due to the retirement of an aging workforce and fill the evolving and new jobs created in our changing economy.

### **Next Steps**

In light of the present interest in the Green Economy, it is suggested that the State Board focus its initial industry sector work on understanding this value network and its implications for California's businesses and workers.

With the State Board's consent, the Committees on Business and Industry and Targeting Resources will be convened in a joint meeting for the purpose of considering recommendations to the full Board on:

1. Establishing a special committee focused on sector initiatives,

2. Identifying the initial charge for this committee, which may include convening a range of business, labor, philanthropic and public sector leaders to consider regionally-based and industry-driven workforce development strategies targeting employers and workers in California's Green Economy, and
3. Methods to promote regional and local engagement of stakeholders in sector initiatives that will positively impact businesses and workers throughout the state.