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Memorandum

TO: work2future Executive Committee

FROM: Christopher Donnelly,
Assistant Director

SUBJECT: Regional Industry Cluster of
Opportunity Grant Award
Recommendation

DATE: April 29, 2010

Approved

Date

Chris for Jeff Reister

4/22/10

RECOMMENDATION

Approval of staff's recommendation to accept work2future's share (\$100,000) of the Regional Industry Clusters of Opportunity Grant (RICOG) awarded to NOVA and work2future by the California Workforce Investment Board, the California Energy Commission, and the California Economic Strategy Panel, in coordination with the California Labor and Workforce Development Agency. The award will fund the research and analysis of targeted industry clusters of opportunity.

BACKGROUND

In 2008, the U. S. Department of Labor awarded a Regional Innovation Grant to the three Silicon Valley workforce investment boards: work2future in San Jose, the San Mateo County Workforce Investment Board and NOVA in Sunnyvale, which together represent all of Santa Clara and San Mateo counties. The grant allowed for the creation of a regional workforce action plan and formed a cohesive partnership of key stakeholders and community decision-makers to address the region's workforce challenges.

With this strong coordinated framework in place, on February 6, 2010 NOVA and work2future were awarded a Regional Industry Cluster of Opportunity Grant to undertake the following: (1) Research and analysis of one or more regional clusters of opportunity, (2) design and implementation of a collaborative engagement process, (3) identification of specific investments and other commitments by a variety of partners, to advance the competitive position of regionally targeted clusters of opportunity, and (4) support for long-term sustainability and growth of regional clusters of opportunity.

ANALYSIS

Key Sectors

Clusters of opportunity are sectors of the economy identified by growth in one or more areas: value, jobs, or wages. The goal is to develop and implement a regionally based partnership of employers, training providers, community organizations, organized labor, and other key stakeholders around the Information Technology and Health IT clusters. This will be accomplished by addressing the workforce needs of employers and the training, employment, and career advancement needs of workers, with the ultimate goal of bolstering regional economic competitiveness by aligning education, economic, and workforce development planning and leveraging of resources.

According to current data, both Information Technology and Health IT are key Silicon Valley clusters of opportunity. Of the 25 largest Santa Clara County companies, 12 have at least some operations that place them squarely within the information technology cluster, according to 2008 CA Employment Development Department data. These include Advanced Micro Devices, Cisco Systems, Hewlett-Packard, Intel and Microsoft. The same EDD report shows 16 employers with operations within the Health IT cluster. In addition to technology firms with health-related products, the 16 include Kaiser Permanente, the VA Palo Alto Health Care Center and Valley Medical Center, all centers of innovation and state-of-the-art technology.

Information Technology and Health IT will be the starting points for this project's cluster exploration.

Cluster Diagnosis and Engagement Process

Building on the regional framework developed in the Regional Innovation Grant process (EDGE 2.0), work2future and NOVA will leverage the EDGE 2.0 collaborative process to create a working group of regional stakeholders that will help to diagnose clusters of opportunity, set priorities for the cluster work, develop a cluster of opportunity investment strategy and build a structure to support long-term cluster sustainability and growth.

Sustainability

Ultimately the working group will form the basis of one or more industry skill panels to help identify skill requirements for cluster occupations. Modeled after a successful program in Washington State, each panel will serve in an advisory capacity to define program strategy and goals, ensuring that training strategies reflect the future needs of employers and workers, identifying skills and competencies required by industries with growth occupations, developing curriculum, acquiring real-time industry and market intelligence and linking workers to employment opportunities. In addition, the working group will continue to meet and work with the skill panels, as well as provide oversight and continuity for the overall cluster initiative.

Implementation

The stages and timeline for the implementation of the Cluster Diagnosis and Engagement are as follows:

Stages	Time Line
(1) Cluster Diagnosis	April-September 2010
(2) Collaborative Priority Setting	April 2010 – January 2011
(3) Cluster Investment Strategy	September 2010- April 2011
(4) Sustainable Implementation	January 2011 – April 2011

Regional Action Clinic: At the conclusion of each stage above, the California Workforce Investment Board will conduct a Regional Action Clinic at which it will provide technical assistance and facilitate a peer exchange among participants to assess results of the stage just concluded. work2future and NOVA will convene a Regional Action Clinic Team to participate in these clinics. As currently envisioned, the work2future Chair and two other board members will be part of the Regional Action Clinic Team. The team will also include representatives from the NOVA Board.

Members of the Regional Action Clinic Team will also help to recruit members of the working group of regional stakeholders mentioned above

Cc : Javier Vanga