

TO: Executive Committee

DATE: 04/02/07

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: WIRED Initiative – Third Generation

PROPOSED MOTION(S): Information only.

DISCUSSION: The Employment and Training Administration (ETA), US Department of Labor (DOL), has announced the availability of competitive grant funds for community-based job training grants. ETA intends to fund Workforce Innovation in Regional Economic Development (WIRED) Initiative programs focused on the role of talent development in driving regional economic competitiveness, job growth and new opportunities for American workers. Only governors may apply on behalf of regions within their state (limited to two regions). The San Joaquin Valley region has been selected to compete for \$5 million over a three-year period. California State University, Fresno Foundation will be the lead and Merced County will be the co-lead for the project.

ATTACHMENT(S):

Concept Paper

**Labor and Workforce Development Agency
Workforce Innovation in Regional Economic Development Concept Paper**

Organization (applicant) Name:	California State University, Fresno Foundation on behalf of the California Partnership for the San Joaquin Valley		
Address:	5010 N. Woodrow Avenue M/S WC 142		
City & Zip Code:	Fresno, 93740		
Designated Contact Person and Title:	Ashley Swearingin, Lead Executive, California Partnership for the San Joaquin Valley		
Telephone: (559) 294-6021	Cell Phone: (559) 790-3852	Fax: (559) 294-6024	
E-mail: ashleys@csufresno.edu	Amount Requested:	\$5 million	

Section I. Identification of Region (15 points)

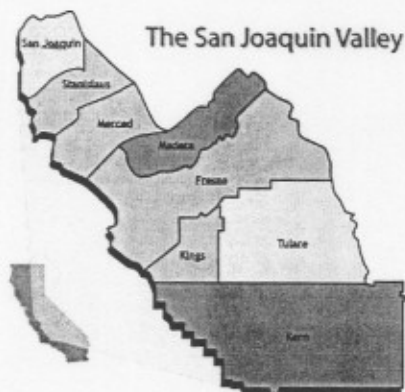
A. Define the region of focus and demonstrate why the selection comprises a regional economy.

The San Joaquin Valley (SJV) includes eight counties, 62 cities and more than 3.4 million residents. It distinguishes itself as an economic region because the agribusiness industry dominates from north to south. The eight counties combined produce \$20 billion in agricultural value annually, more than 50% of all agriculture in California. Seven of the nation's top 10 agricultural counties are located in the SJV. Further, the SJV is distinguished by the networks that have been developed to improve the economic and social conditions of the area. All universities, workforce investment boards, economic development corporations, and community colleges each are organized through their own SJV consortium. Finally, Governor Schwarzenegger and President Bush identified the SJV as a distinct region when they signed executive orders and directed that special attention be paid to the eight-county region. Governor Schwarzenegger created the California Partnership for the San Joaquin Valley and directed this public-private partnership to develop and implement a 10-year action plan to ensure economic prosperity. President Bush created the Federal Interagency Task Force for the Economic Development of the SJV and directed all federal agencies in the region to work together to improve the region.

B. If your region includes a geographic area that is part of a current WIRED grant, justify why the overlap is critical for this application.

A small overlap exists with one of the eight SJV counties. Kern County is a participant in the Innovation Corridor WIRED collaborative, which is focused on the space industry. This application focuses on the SJV Food Chain and does not duplicate in any way the Innovation Corridor project.

C. Provide a map of the region and a list of the counties and major cities in the region.



Major Cities

- Bakersfield
- Visalia
- Tulare
- Fresno/Clovis
- Merced
- Modesto
- Stockton/Lodi

Counties

- Kern
- Tulare
- Kings
- Fresno
- Madera
- Merced
- Stanislaus
- San Joaquin

Section II. Regional Labor Market and Economic Landscape (10 points)

A. Using the criteria below provide an overview of the labor market and economic landscape of the region that describes the conditions that are driving the need for transformation in the region.

- **Declining and Growing Industry Sectors** — Employment in production agriculture is declining. Along with foreign trade impacts, land retirements and environmental regulations are affecting the industry's ability to compete. From 2000 to 2006, total production agriculture jobs increased by only 1,200, while non-farm jobs increased by 174,100. However, while employment in production agriculture is declining, *agribusiness is still the major economic force for the San Joaquin Valley*. Considering the entire "food chain" in the region, agribusiness and related industries account for 38% of the regional employment, about 30% of the regional labor income, and 34% of the regional total value added.¹ The Economic Strategy Panel's report, "California's Food Chain at Work," reports that three-quarters of food chain employment (and virtually all job growth) are outside of production agriculture. That is certainly true for the SJV, where agriculture-related wages and salaries have continued to grow as food manufacturing and processing operations have become increasingly specialized and vertically integrated.
- **Regional Labor Force Characteristics** — In the SJV, 71.3% of 25+-year-old residents completed high school compared to 80.1% of all Californians. Only 14.6% had achieved a bachelor's degree or higher, half the California average of 29.5%.² CA LMID data indicates that 177,000 workers commute in the SJV. Most commute from counties with lower median wages to counties with higher median wages within the SJV, and an excess of 45,000 commute to the Bay Area from the Northern SJV.
- **Impacted Economic Elements** — Statistics for the SJV indicate it is a severely distressed region. SJV per capita income, the lowest in California, is \$21,317 compared to the state per capita income of \$32,950. According to the U.S. Congressional Research Service, the 2000 poverty rate for the SJV was 20.5%, which is significantly higher than the state (14.2%) and national rates (12.4%). Regional unemployment for the SJV as of January 2007 averaged 9.3%, almost double the California unemployment rate of 5.3% and the national rate of 5.0%. The average median hourly wage for the region is \$2.82 less per hour than the California median. Despite these indicators, the Federal direct expenditure rate is 30% lower than the national average.
- **Major Events** — California was recently devastated by a major freeze that destroyed an estimated \$1 billion in citrus crops with the majority of the impact being in the SJV. The Governor declared a state of emergency and is urging President Bush also to declare it a national disaster area.
- **Entrepreneurial Activity and Small Business Development** — In April 2006, California State University, Fresno, published the "Innovation Index" that provides data measurements of innovation, entrepreneurship and small business development in a four-county portion of the region. The report indicates that levels of investment capital in the Central SJV have grown at one-half the rate of the national level. Patenting activity has remained relatively stagnant compared to substantially higher and rising rates of patenting activity nationally. However, benchmarked against other similarly sized regions, the Central SJV generates more entrepreneurial ventures than expected.

Section III. Strength of Partnership (30 points)

A. Complete the attached WIRED Partner Roles and Responsibilities Chart describing the partners that have firmly committed to participating in the proposal. Include a description of the partner roles and responsibilities. SEE ATTACHED.

B. Demonstrate that integration or a high level of coordination already exists between partners.

An executive order from Governor Schwarzenegger launched the California Partnership for the San Joaquin Valley (Partnership) in June 2005. The Governor charged the Partnership with developing a 10-year strategic action plan outlining the specific steps needed for the San Joaquin Valley (SJV) to achieve a prosperous economy, quality environment and social equity. Governor Schwarzenegger appointed to the Partnership board eight of his cabinet secretaries, local elected officials, and business and civic leaders. In addition, literally thousands of civic, education, elected, non-profit, and public agency leaders have been mobilized to develop and implement the Partnership's 10-year plan. Every workforce investment board, economic development corporation, university, community college, office of education, ROCP, and council of government is involved in the Partnership and its work groups.

¹ "Measure of California Agriculture 2000," University of California Agricultural Issues Center.

² U.S. Census, American Factfinder-2005 American Community Survey.

C. Demonstrate that the administrative entity has the capacity to lead the regional partnership in implementing the WIRED initiative.

The Office of Community and Economic Development (OCED) at California State University, Fresno, makes this proposal on behalf of the California Partnership for the San Joaquin Valley (Partnership). The California State University, Fresno Foundation (Foundation) will provide fiscal agent/administrative services to OCED for its contract with the State of California. OCED has staffed and managed several major economic development collaboratives, including the Fresno Area Collaborative Regional Initiative, San Joaquin Valley Water Technology Cluster, and the Fresno Regional Jobs Initiative. Most recently, OCED was selected as the Secretariat for the Partnership, managing the staff, consulting team, work plans and budgets on behalf of its board of directors. The Foundation administers more than \$15 million of federal grant funds every year. Though the Foundation is an integral part of the University, it is a private, non-profit 501-(c)(3) corporation that serves as a contracting agent. The Foundation operates within the regulations of the California State Board of Trustees Office of the Chancellor and is in compliance with federal and state laws. The Foundation follows the OMB circular A-122 regulations and is audited by independent auditors annually.

Section IV. Strategies for Transformation (35 points)

A. Provide a brief description of the strategies that will be used and how they will transform the workforce development, economic development and education systems in the region and result in more effective ways of collaboration and networking of assets and resources.

The Partnership's strategic action plan contains 12 major goals related to talent development and economic competitiveness in target industry clusters. Our WIRED application focuses on the two top priority goals: (1) Create a **demand-driven talent development system** that supports the San Joaquin Valley Food Chain, including agribusiness, food processing, agricultural technology, manufacturing, and logistics and distribution; and (2) Foster a **dynamic business climate for entrepreneurs and small businesses** in the San Joaquin Valley Food Chain.

GOAL #1: CREATE A DEMAND-DRIVEN TALENT DEVELOPMENT SYSTEM THAT SUPPORTS THE SAN JOAQUIN VALLEY FOOD CHAIN. Working through the Partnership, the SJV workforce investment boards, community colleges, universities, and economic development organizations have made substantial progress on developing specific strategies for achieving Goal #1. Seed funding has recently been invested by the State of California to begin implementation. WIRED resources will allow the Partnership to complete implementation of those strategies and incorporate K-12 career technical education stakeholders into the plans for a demand-driven talent development system.

- **Strategy #1: Workforce Intelligence** - Collect and analyze workforce intelligence from the SJV Food Chain to drive strategic decisions for training and talent development.
 - *Employment and Occupation Analysis*³ - Complete real-time market research of cluster companies to determine high-demand occupations.
 - *Training Inventory and Gap Analysis*³ - Inventory and evaluate existing training capacity within ROCPs, high schools, junior colleges and universities in the region that supports the SJV Food Chain. Determine training gaps and develop plans to close the gaps.
 - *Talent Pipeline Map* - Develop a 10-year talent pipeline map using the information from the Employment and Occupation Analysis and the Training Inventory, including a GIS display.
- **Strategy #2: Career Pathways** – Develop coherent, multidisciplinary career pathways for the SJV Food Chain. Based on the career pathways, develop a region-wide strategic plan for delivering career technical education through junior highs, high schools, and ROCPs. The strategic plan will include course sequencing, financing, facilities/equipment, articulation, alignment, and implementation plans.
- **Strategy #3: Regional Employment Readiness Certificate for Agribusiness** – A new and creative cross-industry/occupation education assessment and certification will be developed. The Agribusiness Employment Credential will be developed with enhanced Agribusiness Work Keys and Job Readiness criteria. It will be piloted with the region's WIA registered workforce at the One Stops.

³ These activities have recently been funded by the state and will not be charged to the WIRED grant. They are shown here to demonstrate the foundational tools that are in development to support the WIRED activities.

- **Strategy #4: Food Manufacturing and Logistics Associate Certificate** – Three workforce boards and six community colleges within three counties are piloting a multidisciplinary Food Manufacturing and Logistics Associate Certificate. The certificate program will be scaled to other SJV counties.
- **Strategy #5: Careers in the San Joaquin Valley Food Chain** – A multifaceted, creative, educational and job seeker outreach initiative will be developed and implemented working with such partners and tools as “Dream It! Do It!,” www.AgCareers.com, www.youtube.com, Careers in Manufacturing, and collateral material depicting agribusiness-specific career ladders.



GOAL #2: FOSTER A DYNAMIC BUSINESS CLIMATE FOR ENTREPRENEURS AND SMALL BUSINESSES IN THE SAN JOAQUIN VALLEY FOOD CHAIN. As outlined in the WIRED solicitation, regions that foster innovation and entrepreneurship by networking “innovation assets” are regions that will grow and prosper in the knowledge-based, global economy. The San Joaquin Valley has developed important innovation and entrepreneurship support programs during the last several years, including the Lyles Center for Innovation and Entrepreneurship at Fresno State (Lyles Center), Pacific Community Ventures, the Central Valley Business Incubator and the UC Merced Small Business Development Center network. Despite these gains, the SJV still struggles to attract and develop sources of risk capital and suffers from a lack of comprehensive resources that support innovation, entrepreneurship and business expansion. Networking the innovation and entrepreneurship assets that are available and customizing them for entrepreneurs and small businesses in the SJV Food Chain will produce dynamic results.

- **Strategy #1: Infrastructure for Entrepreneurship and Business Growth in the San Joaquin Valley Food Chain** – The Partnership proposes to build an infrastructure that will provide a standard information delivery system and access to knowledge for entrepreneurs and small businesses in the SJV Food Chain that includes the following:
 - *Comprehensive Information and Resource Network for Agribusiness Entrepreneurs and Small Businesses* – Business support, industry and financing organizations, technology commercialization programs, professional service providers, venture capitalists, and institutional investors will be engaged to develop the web based information and resource network.
 - *Training and educational resources* – Resources on Idea generation, feasibility, commercialization, business start-up and expansion, and access to capital.
 - *“Train the Trainers”* – Informational resources on idea commercialization, entrepreneurship, and equity will be provided to SBDCs to strengthen their ability to advise high-growth firms.
 - *Incubation expansion* – The Central Valley Business Incubator and the Lyles Center will partner with UC Merced and community colleges to develop an agri-technology business incubator.
 - **Strategy #2: Initiating and Sustaining Deal Flow Generation Programs and Activities** – PCV will develop and implement an annual venture capital conference aimed at educating entrepreneurs on the various types of equity financing and will deliver sub-regional interactive “Equity 101” workshops.
- B. Identify the high growth industries and economic sectors that will be the focus of the strategies.**

The focus of the Partnership's WIRED application is the SJV Food Chain, which includes agribusiness, food processing, agricultural technology, manufacturing, and logistics and distribution.

C. Describe the goals for each strategy and describe how WIRED grant resources will enable the partnership to accomplish its goals.

The deliverables and measurable goals for each strategy are provided in the chart below. WIRED grant resources will provide the necessary capital to develop the data and tools needed to align workforce, education and economic development resources to support the expansion of the SJV Food Chain.

Task	Deliverables/Measurable Goals
Goal #1: Demand-driven talent development system that supports the SJV Food Chain.	
Strategy #1: Develop Workforce Intelligence	
Employment and Occupation Analysis	500 industry surveys compiled and analyzed
Training Inventory & Gap Analysis	Completed training inventory accessible via web site
Talent Pipeline Map	Graphical display of talent pipeline including GIS map of talent sources
Strategy #2: Career Pathways	
Development of Career Pathways	Region-wide plan for CTE aligned with pathways in the SJV Food Chain
Strategy #3: Regional Employment Readiness Certificate for Agribusiness	
Development of certification.	Assessment of 400 WIA participants and community college students.
Strategy #4: Food Manufacturing and Logistics Associate Certificate Program	
Expansion of the Food Mfg & Log. Program to additional colleges.	Certificate program completed by an additional 200 students over the three year grant.
Strategy #5: Careers in the SJV Food Chain	
Development and execution of outreach campaign targeting HS & CC students.	Minimum of 5,000 impressions created among target market.
Goal #2: Foster a dynamic business climate for entrepreneurs & small businesses in the SJV Food Chain.	
Strategy #1: Infrastructure for Entrepreneurship and Business Growth in the SJV Food Chain	
Web-based resource that links all innovation and entrepreneurship assets	Site published and available within six months of contract award.
Delivery of training and educational resources for entrepreneurs and small business owners.	"Level One" training delivered to 100 entrepreneurs; Executive Education by PCV delivered to 60 companies; annual venture conference attended by 50 companies each; 8 "equity 101" workshops
"Train the Trainer" workshops for SBDC business counselors	"Train the Trainer" workshops on equity offered to a minimum of 80 business support professionals.
Incubation Expansion	Complete feasibility study and business plan for agricultural technology incubator associated with UC Merced
Strategy #2: Initiating and Sustaining Deal Flow Generation Programs and Activities	
Annual Venture Conference	Minimum of 50 entrepreneurs in attendance.
Equity 101 Workshops	Minimum of 8 Equity 101 workshops involving a total of 100 businesses.

Section V. Leveraged Resources (10 points)

Describe how existing resources under federal, state and local programs will be used to advance this proposal. Complete the chart with any resources leveraged in support of the proposed strategies.

Name of Provider	Program	Description of Resource	Amount
U.S. Dept of Labor	Community Based Job Training Grant	Funding to develop the Food Mfg & Log. certificate	\$1.9 million
State of California	WIA 15% Funding	Seed funding to support the Partnership's Plan	\$1 million
State of California	Rapid Response Funds	Funding to complete the Fresno Employment Analysis	\$250,000
Manufacturers Council of Central Valley	Industry Involvement in implementation of WIRED	In-kind	To be determined
State of California	Partnership Seed Grant	Pending cash match for PCV, Lyles, CVBI services	\$129,500
California Community College	Center of Excellence funding	Center of Excellence at Modesto Junior College	\$75,000
CSUF	Indirect Fees	Reduction of indirect to 5%	\$250,000
Partnership for the SJV	Convener of WIRED	In-kind technical support	\$500,000 over 3 years
Federal Task Force	Fed. Agency Collaborative	In-kind technical support	\$500,000 over 3 years

WIRED Partner Roles and Responsibilities Chart

Mandatory Partners	Name of Partner/Title/Position	Entity Name	Partner Role and Responsibilities
Lead Senior Representative	Ashley Swearengin, Secretariat	California Partnership for the SJV	Principal Investigator, Program Manager
Co-lead Regional Partner	Andrea Baker, Director	Department of Workforce Investment, Merced County	Liaison to Central California Workforce Collaborative
Local Workforce Investment Areas	Verna Lewis, Director	Kern, Inyo, Mono Employers Training Resource	Coordination with Kern ROP and community colleges for implementation of grant
	Joe Daniel, Director	Tulare County Workforce Investment Board	Coordination with Tulare ROP and community colleges for implementation of grant
	Blake Konczal, Director	Fresno County Workforce Investment Board	Coordination with Fresno ROP and community colleges for implementation of grant
	John Lehn, Director	Kings County Job Training Office	Coordination with Kings ROP and community colleges for implementation of grant
	Elaine Craig, Executive Director	Madera County Workforce Development Office	Coordination with Madera ROP and community colleges for implementation of grant
	Jeff Rowe, Director of Employment and Training	Stanislaus Alliance and Workforce Investment Board	Coordination with Stanislaus ROP and community colleges for implementation of grant
	John Solis, Executive Director	Employment and Economic Development, San Joaquin County	Coordination with San Joaquin ROP and community colleges for implementation of grant
Education, Community College, four year institution	Cheri Cruz, Director	Central Valley Higher Education Consortium	Liaison to college and university presidents
	Gary Mendenhall, Director	Central Region Consortium of Community Colleges	Liaison to community college workforce development directors
	George Boodrookas, Dean of Community & Economic Development	Modesto Junior College	Liaison to Center of Excellence
	Carole Goldsmith, Director of Workforce Development	West Hills Community College District	Technical advisor to the Partnership and WIRED collaborative on implementation of the grant
	Hazel Hill, Dean of Workforce and Economic Development	San Joaquin Delta College	Liaison to State Dept of Education Career Pathways project for SJV community colleges

	Sandra Banducci, Principal	Kern County Regional Occupational Center	Kern County project lead for career pathway development
	Ron Johnson, ROP Representative	Tulare County Office of Vocational Education	Tulare County project lead for career pathway development
	Valerie Vuicich, Administrator	Fresno and Madera Counties Regional Occupational Program	Fresno County project lead for career pathway development
	Tim Bowers, Director	Kings County Regional Occupational Program	Kings County project lead for career pathway development
	Michele Fagundes, Assistant County Superintendent of Career and Alternative Ed	Merced County Office of Education	Merced County project lead for career pathway development
	Cindy Young, ROP Director	Stanislaus County Office of Education	Stanislaus County project lead for career pathway development
	Doug Martin, Director	San Joaquin County Office of Education	San Joaquin County project lead for career pathway development
Regional Business Leadership	Jan Ennenga, Executive Director	Manufacturers Council of the Central Valley	Liaison to food processing and manufacturers
	Melissa Tatham, Regional Assistant Director	UC Merced Small Business Development Center Network	Liaison to SBDC network to implement entrepreneurship strategies
	Lisa Lathus, Regional Director	www.AgCareers.com	Liaison to ag and food industry employers
	Manjit Atwal, Project Coordinator	Office of Community & Economic Development, Fresno State	Liaison to Food Processing and Manufacturing Industry Clusters in Central SJV
	Emil Milevoj, Director	University Business Center, Fresno State	Liaison to Logistics and Distribution industry cluster in Central SJV
	Deborah Nankivell, CEO	Fresno Business Council	Industry Advisor
	Ron Addington, CEO	SJ Business Council	Industry Advisor
Economic Development at the regional/local level	Bobby Kahn, Chair	Central California Economic Development Corporation	Liaison to economic development corporations in the SJV
	Dr. Tim Stearns, Director	Lyles Center for Innovation & Entrepreneurship	Implementation partner for Entrepreneurship strategies
	Tracewell Hanrahan, Regional Manager	Pacific Community Ventures	Implementation partner for Entrepreneurship strategies
	Craig Scharon, CEO	Central Valley Business Incubator	Implementation partner for Entrepreneurship strategies