

WIB Retreat Background Information

New initiatives/legislative proposals affecting the refresh or replacement of the Workforce Investment Act and may impact the workforce climate for Merced County.

Sector work:

Industries that have been identified as important to Merced and for the regional economy include Health and Medical Care, Manufacturing, Renewable Energy, Logistics and Supply Chain Management, and Agribusiness, to include Food Processing, Agricultural Technology and Biotechnology.

Industry Sectors definition:

Industry Sectors cut across an entire field of commercial activity. Organized economic activity connected with the production, manufacturing, or construction of a particular type of product or service.

Sector strategies focus on the common needs of firms in an industry. In sector strategies, all elements of the community including government, assist firms in an industry by addressing their common needs as opposed to targeting the needs of an individual firm. In sector strategies, industries may be small and just emerging, or strong and vibrant, or an industry that is past its prime.

Economic clusters definition:

Cluster strategy is a particular type of sectoral strategy, focused on industries with certain characteristics within a regional area. It is the organizing principle around which workforce and economic development may be coordinated.

Industry cluster is the term for a geographic concentration of interdependent competitive firms that do business with each other, including firms that sell

inside and outside of the geographic region as well as support firms that supply new materials, components, and business services that compete but also cooperate, and other institutions including government and education. It includes upstream suppliers of inputs – such as firms that supply materials and equipment, and downstream customers, including other firms. It also includes related entities that shape the environment within which the industry operates – such as government regulatory bodies. The key characteristic is inter-relatedness.

Alternative Energy: (Including renewable energy)

With new legislation and the State taking a stance on alternative energy, what impact will this have on workforce development?

A study entitled “Energy Efficiency, Innovation, and Job Creation in California”, authored by Professor David Roland-Holst, of the University of California, examined the economic impacts of the state's energy efficiency policies over the last thirty-five years, and forecasts the economic effects of more policies proposed to reduce global warming emissions to 1990 levels by 2020.

The research indicates that California's steps to reduce energy dependence and increase energy productivity directed a greater percentage of its consumption to in-state, employment-intensive goods and services, whose supply chains largely reside within the state, creating a strong "multiplier" effect of job creation.

Additionally, over the past thirty years, energy efficiency has created 1.5 million FTE jobs with a total payroll of over \$45 billion, and saved California consumers over \$56 billion on energy costs.

The report's historical findings include the following:

The same efficiency resulted in slower (but still positive) growth in energy supply chains, including oil, gas, and electric power. For every job foregone in these sectors, however, more than 50 new jobs have been created across the state's diverse economy.

The economic benefits of energy efficiency innovation have a compounding effect. The first 1.4 percent of annual efficiency gain produced

about 181,000 additional jobs, while an additional one percent yielded 222,000 more. It is reasonable to assume that incremental efficiency gains will be more costly, but they have more intensive economic growth benefits.

By revenue, energy is the world's largest industry, and energy efficiency can become to this sector what Information Technology was to management, and biotechnology to medicine, a way to revolutionize traditional practices and increase real living standards around the world.

Biotechnology:

Biotech has been identified as a priority cluster for the California Partnership for the San Joaquin Valley. It includes Life sciences and Research Development sectors. Local amenities to prepare for Bio Enterprise include facilities and the workforce.

The Merced WIB currently in partnership with Stanislaus and San Joaquin WIBs to research and create a plan to impact Bio Enterprise in our region.

Merced assets include agricultural companies already engaged in the field and UC Merced planned Medical school and current research and development work in the life sciences.

Agriculture, and Logistics and Supply Chain Management are in the sector. The biotech cluster in health care includes; medical devices nanotech, drug transference, medical services and IT crossovers.

Green Jobs:

There are blue collar jobs, white collar jobs and now Green jobs which is the new job classification for environmentally friendly jobs.

Green jobs are found in traditional employment sectors of manufacturing, installation, fabrication and operations. Energy generation and storage, water and waste water treatment, environmental/public policy/government, health care. renewable energies, energy efficient auditing, power plant operations, facilities management, bio fuels and farming all have green jobs.

Generally, these jobs pay living wages and make available access to health care benefits. Individuals can access training through High Schools, Community Colleges, unions and employers. Aligning pathways across the

discipline has not been completed and with the rise of new technology continuing alignment may be ongoing.

Transitional jobs:

Initiatives are being proposed to focus on transitional jobs for individuals with barriers to employment who will be especially impacted in terms of finding, keeping, and being successful in work in this down turned economy. It is believed, strategies for helping these targeted groups get and keep jobs will be critical in stabilizing the economy. Transitional Jobs programs would be specifically dedicated to people with barriers to employment such as persons who are formerly incarcerated, disconnected youth, TANF recipients, people experiencing homelessness, and veterans.