



Overview of Regional Workforce Funding Collaboratives

California's Workforce Challenge

Too many of California's workers are unable to make ends meet. For example, in 2001, nearly 2 million California families with at least one worker did not have a family-sustaining income (roughly 200 percent of the poverty line). And there are large differences in the income levels, employment in good jobs, education levels, skills levels, and well-being among California's racial and ethnic groups.

Businesses face pressing workforce concerns. For instance, a 2005 survey showed that California companies with up to 500 employees – the most rapidly growing segment of the state's businesses – ranked sustaining and or acquiring a skilled workforce as their most significant business challenge. Further, lack of workforce diversity limits talent, organizational performance, and the quality of products and services in meeting the needs of a diverse market, as well as employers' community engagement.

Many of California's labor market regions lack a strategic, flexible, systematic workforce response that matches regional economic development needs. Local workforce boards analyze and plan for workforce training needs, but their geographic boundaries and resources for systemic sectoral responses are limited, and they face reductions in federal workforce investment funding. Moreover, a fragmented and inefficient set of systems makes addressing regional challenges difficult. Meanwhile, too few workforce development programs have deep relationships with industry at the regional level, are committed to system change, and provide a bridge or connection to a sustainable job with a living wage.

The Regional Workforce Funding Collaborative Approach

Workforce Collaboratives share a common goal. It is to build a regional system that understands and responds to the unmet workforce needs of employers and workers in targeted industry sectors, so that low-income individuals and others gain skills, obtain family-sustaining jobs, and increase well-being, and so that employers in those industries find skilled workers and solutions to related business problems.

Common Strategies

Workforce Collaboratives commonly pursue four strategies.

They develop and expand investments of foundation, public sector, and business funding, and they align funding and increase its flexibility by combining a 'mutual fund' approach with collaborative and coordinated decision-making on grants.

They support regional sector initiatives, though planning grants and operational grants.

They support systemic change in business practices, public policy, and workforce development institutions. They increase public sector engagement, regional planning and collaboration, financial sustainability, and advocacy/stakeholder organizing.

They support strategies to improve program quality, learning, and decision-making through capacity building, documentation, data collection, and evaluation.

Support for Sector Initiatives

Workforce Collaboratives support sector initiatives because their goals and strategies are closely aligned and because sector initiatives are effective in moving low-income individuals into jobs with strong retention prospects, family-sustaining compensation and/or career paths, meeting business's workforce, skill, and related needs, and bringing about systemic change. Sector initiatives target workforce development services to an industry in which both job growth and skill shortages exist, and develop those services in collaboration with the industry, its workers, and job seekers. They develop job training partnerships with employers, community-based organizations, unions and/or community colleges, and target training to industry and worker needs.

Examples of Workforce Collaboratives

The Bay Area Workforce Funding Collaborative, SkillWorks (in Boston), and the New York Workforce Innovation Fund provide examples of Workforce Collaboratives' funding sources; decision making structures; grant making scale; outcomes for workers and employers; and system change outcomes.

Bay Area Workforce Funding Collaborative

Funders

- 13 foundation and corporate funders invested in the first grant making cycle: The San Francisco Foundation, the Walter and Elise Haas Fund, the Evelyn and Walter Haas, Jr. Fund, the Richard and Rhoda Goldman Fund, the Annie E. Casey Foundation, the William and Flora Hewlett Foundation, the Walter S. Johnson Foundation, the Gordon and Betty Moore Foundation, the California Wellness Foundation, the Levi Strauss Foundation, the Koret Foundation, the William Randolph Hearst Foundation, and the California Endowment. Three additional second cycle and evaluation funders include the Women's Foundation of California, the Y & H Soda Foundation, and the California Healthcare Foundation.
- Collaborative Grant Making: CA Employment Development Department.
- Matching funds: employers, community colleges, and public entities.

Decision Making

- A Steering Committee provides leadership and oversight. It is responsible for establishing and overseeing the implementation of goals and strategies.
- A Funding Panel, made up of representatives from contributing funders, selects projects for investment by the Collaborative.
- A Panel of Advisors from foundations, healthcare and biotechnology industry representatives, researchers, and workforce organizations informs the Workforce Collaborative regarding directions to take.

Grant Making

- 1st cycle: \$3.4 million.

Worker and Employer Outcomes

- Expanded training for nearly 700 unskilled and dislocated workers for career ladder healthcare and biotech positions that will provide entry-level wages between \$27,000 and \$60,000 per year.
- Nine new classes or training programs were developed.

System Change Outcomes

- Significant increase in public and employer investments in sectoral workforce efforts.
- Employers, workforce boards, One-Stop centers, community colleges, community-based organizations, and a union training center formed workforce partnerships.
- Four learning forums provided current grantees and additional Bay Area workforce boards and One-Stops with capacity building resources.
- A more efficient, streamlined, regionally focused approach to healthcare education is under development. The initiative supports 18 new sections of high-demand healthcare prerequisite classes.
- A business plan has been developed for a new regional healthcare training institute under a collaborative umbrella of workforce boards, community colleges, and hospital employers. It will reduce training time for nurses and expand training capacity
- Effective bridge training models have been expanded and replicated. They prepare low-skilled and limited English proficient adults and youth for certified training at community colleges.

SkillWorks (Boston)

Funders

- 12 foundation and corporate funders: The Boston Foundation, The Annie E. Casey Foundation, Bank of America Charitable Fund, Frank W. and Carl S. Adams Memorial Fund, Paul and Phyllis Fireman Charitable Foundation, William Randolph Hearst Foundation, The Hyams Foundation, Robert Wood Johnson Foundation, John Merck Fund, The Rockefeller Foundation, State Street Foundation, United Way of Massachusetts Bay. The City of Boston's Neighborhood Jobs Trust and Massachusetts Department of Workforce Development.
- Matching funds: employers.

Decision Making

- A Funders group, made up of all public and private funders, is responsible for all decision-making.
- A Sub-committee reviews grantees progress and makes funding recommendations for approval by the full Funders Group.

Grant Making

- ~\$2 million annually.

Worker and employer Outcomes

- 511 pre- employment participants, of whom 247 have been placed, and 1,243 incumbent worker participants. Over 1,000 took steps toward career advancement.

System Change Outcomes

- Greater employer investment in workforce.
- Increased public/state investments.
- Formation of new partnerships and intermediaries in industries without clear career ladders.

New York City Workforce Innovation Fund

Funders

- 12 foundation and corporate funders: Altman, Clark, De Camp, Deutsche, Gimbel, Independence, JP Morgan Chase, Mizuho, New York Community Trust, Rockefeller, Tiger and United Way of New York City. The New York City Department of Small Business Services.
- Matching funds: employers.

Decision Making

- Investors meet as needed to make key decisions at all phases in the project.

Grant Making

- \$500,000 in private funds and up to \$1.3 million in WIA funds through the New York City Department of Small Business Services.

Worker and employer Outcomes

- Too early to document most impact. However over 29 employers have been brought to the table.

System Change Outcomes

- Lessons from the planning phase will inform future projects of the Workforce Innovation Fund and the New York City Department of Small Business Services.

For More Information

Send email to:
Jack Mills, Director
National Network of Sector Partners
a project of the
National Economic Development and Law Center
jack@nedlc.org



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