



***How California can support greater public-private partnerships and alignment in providing job training by strengthening workforce systems and promoting inclusive economic development: Strategies for economic recovery***

**Testimony to the Little Hoover Commission**

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Good morning and thank you Commissioners for providing the opportunity for JFF to speak with you about how California can support greater public-private partnerships as we push towards an equitable economic recovery.

JFF is a national non-profit that drives change in the American workforce and education systems to achieve economic advancement for all. Our California office operates as JFF's Inclusive Regional Economic Development unit where we work across sectors and systems to build equitable and resilient regional economies that everyone can contribute to and benefit from, regardless of who you are and where you live.

Our approach to inclusive economic development uses strategies that address three main factors contributing to existing education and economic equity gaps in regions: these are the place-based conditions, economic development, and education and training pipelines that are needed for communities to thrive.

**We believe that by strengthening regional economies through inclusive economic development, the state can increase regional economic competitiveness to create better jobs and create economic mobility opportunities for more Californians. This is our overarching recommendation.**

A conversation about job training cannot be siloed from a broader conversation about inclusive economic development if we are truly concerned about strengthening regional economies and closing equity gaps. Economic development strategies must be integrated with education and training strategies, and must address place-based conditions that impact economic and educational success like

economic and racial inequalities, environmental factors, housing conditions, food scarcity, transportation access, and jobs concentration.

For this hearing, we have chosen to focus on strategies for workforce transitions that can provide quality jobs and create rapid reskilling opportunities, while also fostering innovations to regional economies that are critical for increasing economic competitiveness. Recovery strategies must take into account the unique equity concerns that were already prevalent across California's multiple regional economies before COVID-19, and have only been magnified by the crisis. So, we ask you to prioritize actions and interventions for vulnerable populations—largely immigrants and communities of color—that have made up the essential workforce during the pandemic, as well as, those that will be most significantly impacted by a loss of income.

There are tremendous opportunities for educational institutions to partner with business and labor to support inclusive economic development strategies that spur economic growth and create higher quality jobs for Californians. By conducting coordinated and market-driven research, innovation and commercialization activities, these partnerships will not only support the growth of priority industries by solving their existing technological challenges, but also have the potential to move the industries up the global value chain by developing new products and services that are more knowledge-intensive and higher value-added. The resulting new market opportunities will create higher quality jobs, increase regional economic competitiveness and likely kickstart self-reinforcing cycles of economic growth.

**Our first strategy for California is to establish and expand partnerships between industry research and development (R&D), postsecondary education institutions, and training providers.** Education institutions have a large impact on regional economies. Higher education institutions in California can play a larger role in partnering with industry to connect their regional economies to larger research and development. A focus on applied research and commercialization can encourage businesses and institutions to work together and bring big ideas to market to create real opportunities for business growth, innovation, and quality jobs.

This type of economic development strategy paired with embedded training and education pathways is needed to ensure that target populations benefit from economic growth in their region. Training centers, apprenticeships or college/career pathways must be tied to these efforts, so that training pipelines are anticipating changes and not just responding to them. It also provides immediate opportunities to engage community, labor and worker rights organizations in rapid reskilling opportunities and longer-term training infrastructure needed to create a workforce that can fuel the regional economies where these innovations are taking place.

- We recommend establishing a *California Economic Competitiveness* strategy that serves to catalyze industry innovations through public-private partnerships that focus on R&D with higher education institutions. This strategy should include industry-led training partnerships

needed across the supply chain of businesses for R&D industry cluster approaches<sup>1</sup> and provide upskilling and reskilling opportunities for displaced workers tied to industry innovation clusters to align local workforce to labor market needs.

- Regions need to incorporate inclusion in the process and outcomes of these strategies. This is an opportunity to increase High Road Training Partnerships and practices and establish inclusive talent pipelines that are critical for economic growth and business expansion. To maximize their impact, these partnerships can collaboratively set criteria with workers and community members that take into account regional labor market and higher education assets, industry cluster identification, automation/machine learning workforce shifts, and place-based and/or environmental justice opportunities. These targets should measure impact on equitable outcomes in education and the labor market drawing from the [Equity Atlas](#) or other equity-minded dashboards to capture demographics and place-based conditions.
- The state can direct resources already in place for workforce, training, and university research to expand market-driven cluster approaches and work through private sector partnerships to modernize training incorporating immersive technology and rapid reskilling platforms.
- We also recommend prioritizing workforce pilots that support occupation-based to skill-based or competency-based training transitions, especially in training that leads to middle-wage jobs.
  - This looks like expanding training that incorporates EdTech, immersive technologies and other workforce training innovations that can scale to meet the explosive growth in IT/Cyber and Healthcare sectors. Additionally, partnerships with tech companies or other employers with IT needs to provide IT/cybersecurity apprenticeships can give workers without a four-year degree the opportunity to learn a set of critical skills that are transferrable to a multitude of occupations and industries.
  - It also means directing existing CTE funding to scale training pipelines that provide workers skills that are transferrable to other sectors (e.g. logistics to manufacturing, or hospitality to healthcare) using new technology to accelerate reskilling/upskilling. This calls for partnership with public and/or private training centers to provide rapid credentialing for skills and competencies earned.
- We recommend deploying new ways to capture learning and recognize skills and competencies learned through work experience, military service, and new education and training platforms.
  - The state can set educational policies that create the conditions for districts to pilot new ways of capturing and delivering learning experiences. This will allow them to respond to the scale of workforce training and education needed to stabilize local economies (e.g. credit for prior learning, competency-based education, and the use of dynamic edtech platforms.)

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<sup>1</sup> Industry cluster promotion is a place-based approach that is designed to increase collaboration and cooperation between firms, and between firms and public-sector research institutions to drive innovations that move industry up the global value chain.

**A second strategy for the State is to integrate investments in reskilling with investments in entrepreneurship, innovation, and small business dynamism to build more resilient regional economies.**

Dynamic economies with vibrant small business and startup ecosystems are less vulnerable to external economic shocks, which in turn protects workers against job loss and economic insecurity. In California, forty-one percent of small businesses are owned by people of color.<sup>2</sup> Regional education systems can be catalyzed to support local small business revitalization efforts by building and strengthening strategic economic and social partnerships in their communities, especially with those who are the most vulnerable. Educational partnerships that connect entrepreneurship and economic revitalization efforts to universities and colleges by co-locating entrepreneurship centers that incubate start-up ideas that can address place-based challenges impacting regional economies. Entrepreneurship hubs of cross-disciplinary innovation are needed to create adaptive and resilient economies that can drive venture capital investment into regions and provide aligned educational experiences that foster this environment.

- We recommend the creation of Entrepreneurship Innovation Centers. Educational institutions from each segment have a role to play in social innovation, tech-based education and career pathway innovations.
  - Municipal partnerships are another opportunity for educational institutions to partner in incubating entrepreneurship that solves community challenges and makes a profit. They can co-sponsor projects targeted at meeting city needs related to housing, environmental justice challenges, clean water access and sustainability, homelessness and other place-based conditions that impact educational outcomes and employment. County governments could play a similar role in an entrepreneurship hub. Redirection of resources rather than new resources would be needed for cities and counties to participate.
- We recommend utilizing Work-Study to support small businesses. Public colleges and universities can use a portion of existing work-study programs to place students with local small businesses as part of local revitalization efforts.
  - This would provide small businesses with critical staffing support that could connect to the Small Business Guarantee program requirements and align with a student's educational coursework, providing a paid work-based learning opportunity.

**The third strategy, and one that is often overlooked but critical to coordinate activities across multiple partnership networks, is to invest in a robust ecosystem of cross-sector partnerships to support the regional collaboration.**

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<sup>2</sup> <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-CA.pdf>

The state has a unique opportunity to establish the enabling conditions for cross-sector partnerships to move quickly and in coordination with public systems. Public-private partnerships require that leaders and practitioners be able to work across sectors, systems, and in California, often across jurisdictions. Private sector partners often move away from partnering with the public sector because they move at a much faster pace and require an adaptability to changing needs that present a challenge for public sector systems. Given the decentralized governance context in California, JFF has learned that there are important approaches that facilitate this type of work.

- First, cultivate cross-sector networks to support regional collaboration<sup>3</sup>: Regions have many existing initiatives that can be better connected and coordinated to avoid duplication of activities and streamline engagement with private industry partners.
- Second, promote systems leadership characteristics<sup>4</sup>: Leaders working across systems and jurisdictions need new skills to help them navigate that complexity and be effective in their goals.
- Third, include community-based organizations as co-creators of the interventions and solutions needed for the problems they face. CBOs and grass roots organizations have deep knowledge about their communities and trusting relationships with them that have been developed over the course of years and, in some instances, decades. By partnering with CBOs, leaders have the opportunity to better learn about what is needed to remove the place-based conditions impacting education and economic outcomes, especially for communities of color. CBOs often act as intermediaries between the community and public sector actors. They must be resourced to partner in building equitable systems rather than being consulted to support solutions that others have crafted for them.

In sum, we see an incredible opportunity for the state to **strengthen its regional economies through inclusive economic development. These efforts serve to increase regional economic competitiveness, create better jobs, and provide economic mobility opportunities for more Californians.**

We believe that the roadmap to put California on that track is to strengthen our regions by creating a system of lifelong learning that individuals can access throughout their working lives.

Partnerships between industry R&D, postsecondary education institutions, and training providers can serve to increase regional economic competitiveness.

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<sup>3</sup> Wei-Skillern, Jane, and Nora Silver. "Four Network Principles for Collaboration Success." *The Foundation Review* 5, no. 1 (2013): 121-129.

<sup>4</sup> *Cultivating Systems Leadership in Cross-Sector Partnerships: Lessons from the Linked Learning Regional Hubs of Excellence*. Philadelphia: Equal Measure; San Francisco: Harder+Company, 2017.

And, integrating investments in reskilling with investments in entrepreneurship, innovation, and small businesses are needed to build more resilient regional economies.

Finally, if California aspires to increase public-private partnerships, the state must invest in creating the conditions for those partnerships to thrive by ensuring that private partnership and investment is stewarded via a robust ecosystem of cross-sector partnerships to support regional collaboration. Doing so, will put California on track to build equitable and resilient regional economies that everyone can contribute to and benefit from, regardless of who they are and where they live.

On behalf of JFF, we want to thank you for giving us the opportunity to share some of what we have learned in our work. We remain committed to deepening our efforts to build equitable education, workforce and regional systems that serve all Californians.