STANISLAUS 2030

STANISLAUS 2030

INVESTMENT BLUEPRINT

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& ACTION PLAN

Dear Stanislaus Neighbors:

Stanislaus 2030 is a bold, ambitious multi-sector initiative co-led by local business leaders, higher education and government partners alongside labor and community-based organizations. At the heart of Stanislaus 2030 are two essential questions: how can we build a resilient economy so that more residents experience financial success? And, how can we catalyze significant industry and small business growth in the next decade and beyond?

Through a comprehensive "market assessment" developed in affiliation with experts from the Brookings Institution, Stanislaus 2030 examined data using a framework for the essential drivers (talent, innovation, traded sectors) and enablers, (infrastructure and governance)of a vibrant economy.

As members of the Executive Committee, we reflect the region's broad geographic, demographic, and industry interests. Multiple partners joined the broader Leadership Council to provide guidance at key milestones throughout the process. Many more stakeholders participated in multiple workgroups in the Spring of 2022 to provide technical expertise and insight in our key focus areas. The hard work of all of these partners has led to this Investment Blueprint and Action Plan.

Stanislaus 2030 was intentionally developed as a short sprint because we have a sense of urgency about the fate of our community. We've learned much this past year about the definition of a quality job, the importance of traded sectors, and the performance of local institutions to serve our economic goals. We also engaged community members to understand their real-time and rich lived experience, thanks to our community engagement team, Debrief. You can access our community insights report as well as the full market assessment at **Stanislaus2030.com.**

Our future is up to us, and it is decided here and now. Will we take bold action and secure concrete investments to ensure greater prosperity for more community members? Can we create new industries aligned around our vibrant agricultural base, develop robust workforce training programs and seamless talent pipelines? How can we remove barriers to quality jobs and build a dynamic small business community? The future is up to us, and the answers are, too.

It was critical to us to find the highest-leverage opportunities that move our region's economy forward in the coming decade. This investment blueprint highlights those strategies and points to concrete next steps. This report includes the estimated dollars needed to jumpstart each strategy. We recognize that these investments will come from multiple sources, including private investors as well as public funding at the federal, state, and local level.

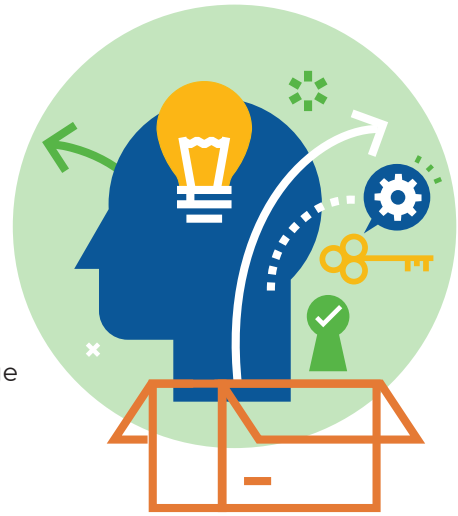
We endorse the strategies within this Investment Blueprint and Action Plan, and we ask you to partner with us to create a resilient Stanislaus economy by 2030 and beyond. This report is not the end of Stanislaus 2030, it's our north star. Our work towards building a vibrant economy is just beginning.

Join us!

In partnership

STANISLAUS 2030

EXECUTIVE COMMITTEE



Santanu Bandyopadhyay, Modesto Junior College
Anthony Cannella, Northstar Engineering Group
Chris Courtney, Oak Valley Community Bank
Kathryn Davis, Valley First Credit Union
Seana Day, Better Food Ventures
Joe Duran, Stanislaus Equity Partners
Andy Foster, Aemetis, Inc.
Doris Foster, County Workforce Development
Michael Frantz, Frantz Nursery
Johnny Garcia, Hispanic Chamber of Commerce
Nelson Gomez, South Modesto Businesses United
Mani Grewal, Stanislaus County Board of Supervisors
Jody Hayes, Stanislaus County Chief Executive Office
Ken Irwin, City of Patterson
Marie Joiner, Luxury Limousine
Ellen Junn, Stanislaus State University
Marian Kaanon, Stanislaus Community Foundation
Scott Kuykendall, Stanislaus County Office of Education
Michelle Lewis, E&J Gallo Winery
Juan Munoz, UC Merced
Chichi Nnodim-Jack, SCOE Board of Trustees
Kristin Olsen, California Strategies
Dillon Olvera, Beard Land and Investment Co.
Evan Porges, Porges Properties
Michelle Reimers, Turlock Irrigation District
Tina Rocha, Stanislaus County Chief Executive Office
Tim Robertson, North Valley Labor Federation
Yamilet Valladolid, Golden Valley Health Centers
David White, Opportunity Stanislaus
Bryan Whitemyer, City of Oakdale
Terry Withrow, Stanislaus County Board of Supervisors

VISION & MISSION

Stanislaus 2030 is a collaboration among business, government, and civic stakeholders to create and deliver a joint strategy and investment plan for regional economic growth and opportunity in the coming decade.

VISION

We envision, and commit to build, a high-performing, diverse economy to match our multi-cultural lifestyles and dreams for the future.

MISSION

We will create pathways for Stanislaus community members to achieve economic mobility by building an economy that is diverse, inclusive, connected, vibrant and sustainable.

PARTNERS

Executive Committee

31 key private, public, and civic leaders, representing our region's diverse geographies, demographic groups & sectors of our community.

Leadership Council

200+ leaders representing the community & areas of expertise.

Elected Official Roundtable

City, County, State & Federal Elected Representatives.

Stanislaus County Community Members

Diverse community members across Stanislaus County providing input through one-to-one interviews, listening sessions, focus groups, digital surveys, and community forums and meetings.

Workgroups

Technical experts, local community members and key stakeholders came together over the course of two months to move key focus areas from analysis to prototypes and solutions for inclusion in the Investment Blueprint.

Backbone Team

Stanislaus Community Foundation, Stanislaus County Chief Executive Office, Advisory Team (Project Management, Community Engagement, Research & Analysis).

DESIRED OUTCOMES

Investment Blueprint based on:

- Understanding of larger market forces & future trends
- Current and future state of Stanislaus County economy
- Knowledge of demographic shifts
- Authentic community input

Activation Plans for each priority investment area that include:

- Investable strategies and tactics
- Funding and policy aligned with each of the strategies
- Performance that is reported regularly to partners and the public

PROCESS

September 2021 – February 2022

Discovery & Analysis
- Community assessment complete
- Start community engagement efforts
- Convene local researchers

April – June 2022

Idea Development
- Work groups start meeting
- Explore opportunities
- Build investment plans

September 2022

Finalize Investment Blueprint
- Publish and promote investment blueprint
- Road show to share the investment blueprint with key stakeholders

September – October 2022

Organize & Build Momentum
- Secure public & private funds
- Present to City Councils
- Create backbone team
- Convene local leaders

February – April 2022

Strategy Development & Community Engagement
- Diagnose economic performance, assets and opportunities
- Identify working group topics, champions and facilitators

June – August 2022

Community Input
- Community member survey
- Creation of Investment Blueprint
- Completion of this phase of Stanislaus 2030 work

Moving Forward...

Implement Next Steps
- Create structure
- Build capacity
- Invest in new & existing programs

FRAMEWORK FOR A VIBRANT ECONOMY

Based on work with metro areas and states on economic recovery and resilience strategies following the Great Recession, the Brookings Institution created a Metro Monitor framework to offer a more comprehensive measure of economic success encompassing growth, prosperity, and inclusion. With increased attention to the negative competitive and societal consequences of disparities, reinforced by the experience of the COVID-19 pandemic, this framework has been adopted by dozens of regions over the past five years to guide decisions on economic and workforce development strategies, programs, and progress.

Stanislaus 2030 used this framework to broaden our vision for economic success in our community. These new definitions for a vibrant economy -- growth, prosperity and inclusion -- guided our data analysis, strategy development and decision-making throughout the initiative.

GROWTH

More jobs created and expanded output that increases labor demand and wages, plus young firms that generate greater wealth, employment, and earnings.

METRICS

Jobs

Gross Metropolitan Product

Entrepreneurship
(Jobs at Young Firms)

Source: Brookings Metro Monitor

PROSPERITY

More productive firms to grow the economy from within and generate higher-paying jobs, so the region competes on quality versus low wages.

METRICS

Productivity *(GMP Per Job)*

Standard of Living *(GMP per Capita)*

Average Annual Wage

INCLUSION

Access to opportunities that raise employment and income, enabling residents across all community segments to participate to the fullest of their ability.

METRICS

Employment Rate

Median Wage

Relative Poverty
differences by Race and Geography

The Wrong Kind of Growth

Stanislaus County has grown steadily in recent years, adding tens of thousands of jobs in the decade leading up to the COVID-19 pandemic. Yet even before this fundamental disruption, many of the county's workers and families struggled to support themselves on their earnings.

Only 13% of jobs in Stanislaus County can be categorized as "good" jobs. An additional 22% count as "promising," offering a pathway to a good job. The remainder—nearly two-thirds of jobs—fail to meet standards for ensuring worker self-sufficiency.

These findings point to deeper, fundamental challenges to our region's growth model—its mix of industries and competitive strengths—than can be quickly or easily adjusted:

- **Stanislaus County is remarkably unspecialized in the innovative traded sector industries core to success in the modern economy, with its growth heavily weighted towards local-serving and public sectors. Even some long standing traded sector strengths are losing ground.**
- **Entrepreneurship is lagging, indicating waning business dynamism.**
- **Reflecting the makeup and performance of the region's economic drivers, significant numbers of workers and families struggle to make ends meet.**
- **The region has a significant gap in good and promising jobs available to enable workers and their families to achieve self-sufficiency.**

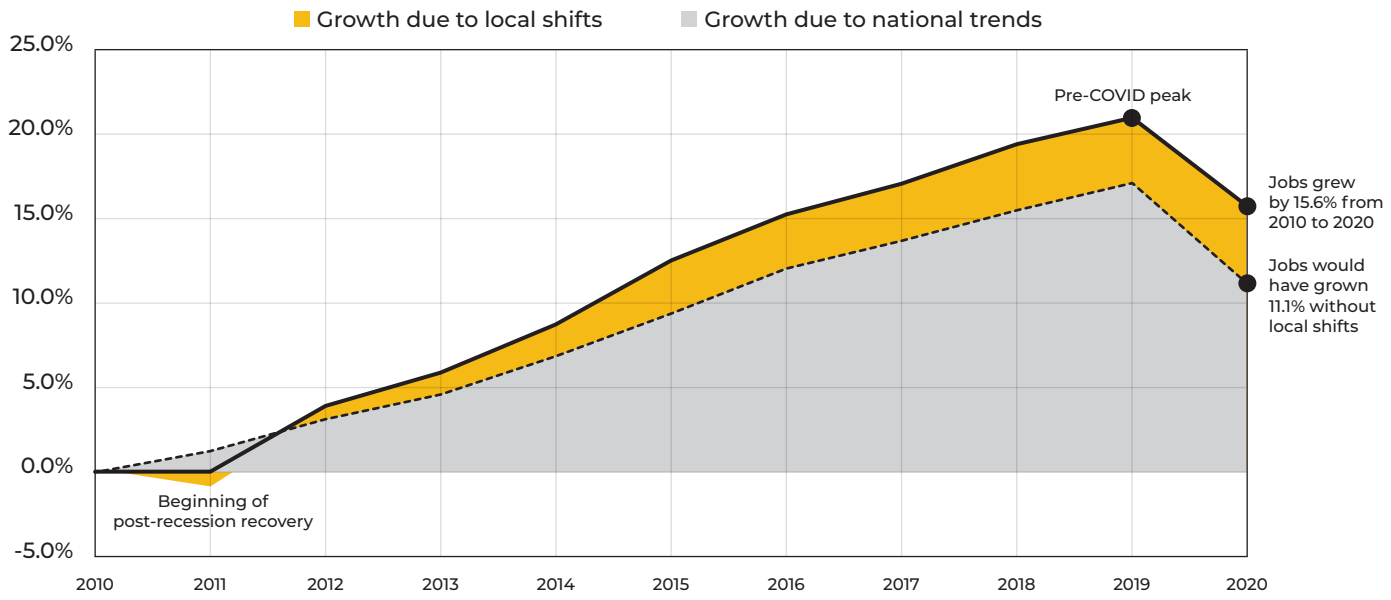
At first glance, Stanislaus' job growth over the last ten years seems to offer good news. During the decade bookended by the Great Recession and COVID-19 crisis, jobs grew steadily, outpacing the national average ***(Figure 1)***. Yet the makeup of this growth spells trouble for the region's standing in the dynamic, innovative global specializations that make regions adaptable and prosperous.

The region's recent growth is overweighted towards local-serving sectors ***(Figure 2)***. Representing 56% of Stanislaus County's jobs in 2010, local-serving activities produced nearly 75% of the region's job growth over the next decade, outpacing the national performance. The public sector, including education, contributed another 10% of the County's job growth. Meanwhile, traded sectors which had represented 29% of the region's jobs in 2010, generated only 15% of job growth.

Thus, the region was caught in a cycle of generating local-serving jobs to support new community members and workers commuting outside of the County, or jobs in its dominant agriculture commodities industry that produce below-average traded sector wages–with little in between ***(Figure 3)***.

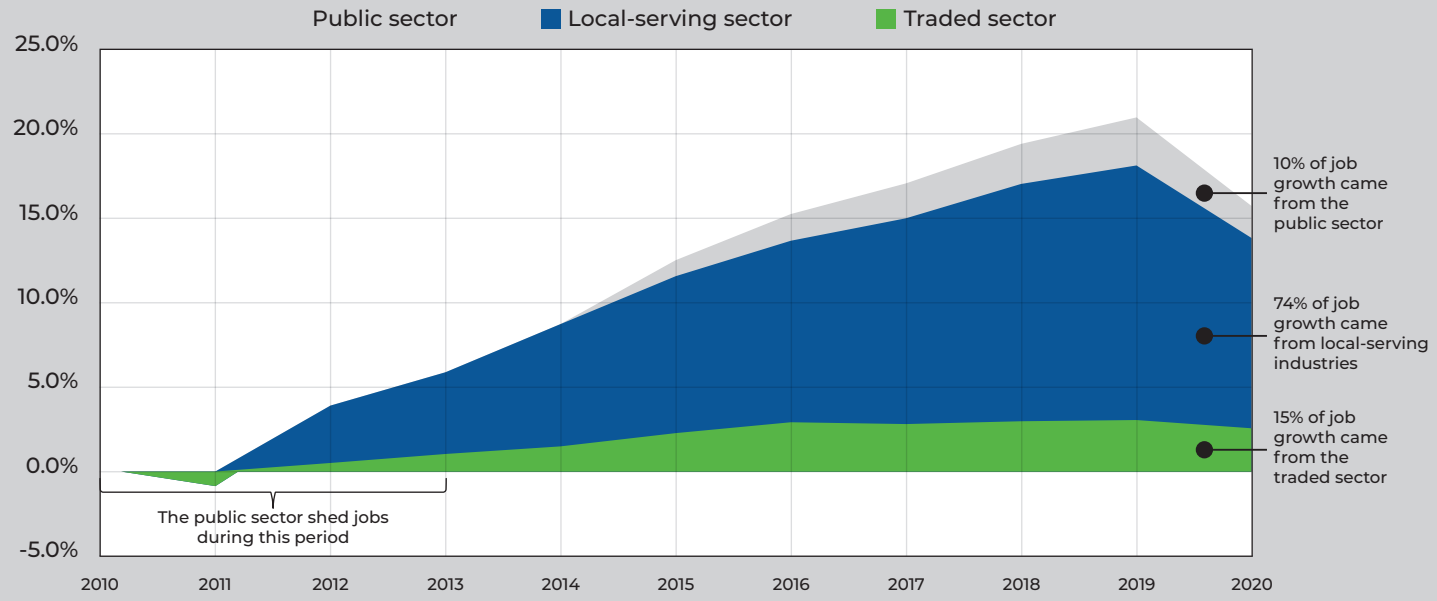
THE COUNTY'S JOB GROWTH EXCEEDED THE NATION'S

Factor Contributions to Job Growth in Stanislaus County — 2010 to 2020



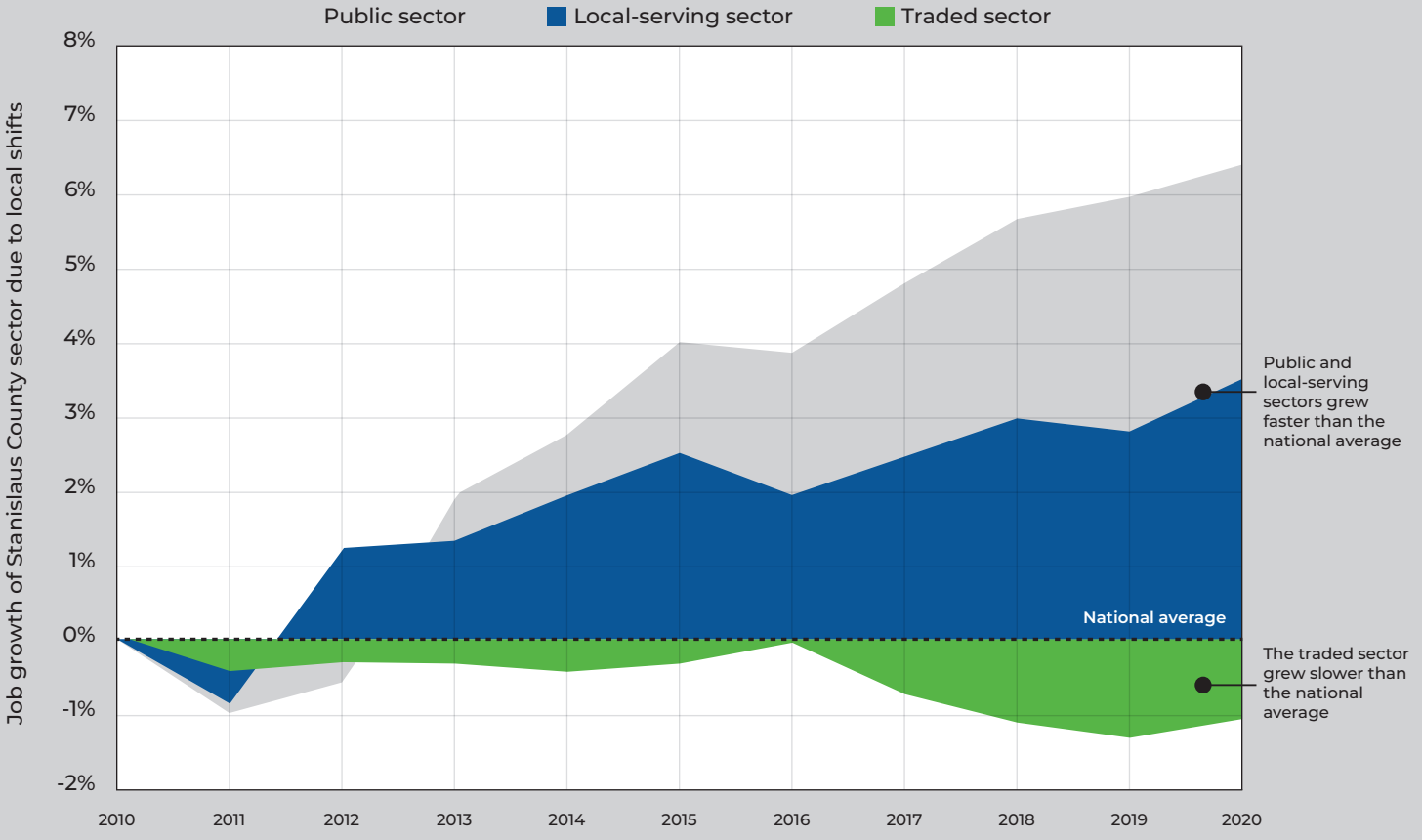
TRADED SECTORS DROVE A SMALL PORTION OF JOB GROWTH

Sectoral contributions to job growth in Stanislaus County — 2010 to 2020



THE TRADED SECTOR ADDED FEWER JOBS THAN EXPECTED

Job growth from local shifts in Stanislaus County, by sector — Since 2010



Large numbers of struggling families and workers

Despite the region's growth, more than half of the County's residents—and nearly 40% of working families—struggle to make ends meet.
Most of these residents belong to working families, suggesting that large swaths of the County's job base do not provide ample opportunity for residents to meet even a basic level of economic self-sufficiency ***(see Figure 4)***. These results may also reflect the high cost of living in Stanislaus County, albeit one that is lower than many surrounding areas.

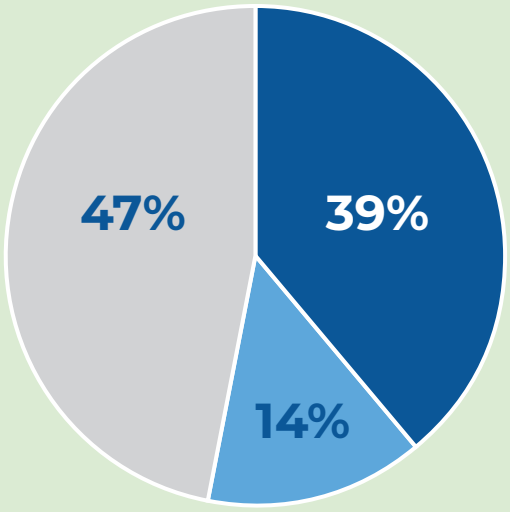
Unsurprisingly, young, less educated, and diverse workers are more likely to struggle, reflecting national trends that advantage those with greater credentialing and experience, as well as other structural barriers to economic success.

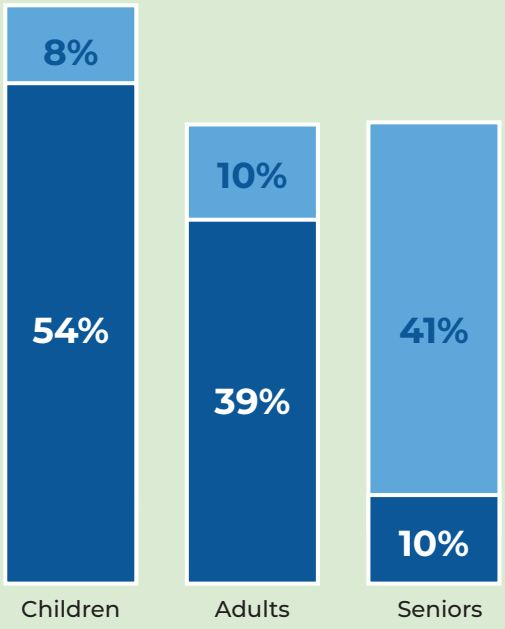
- **Educational attainment matters.** Only 14% of the region's struggling workers hold a baccalaureate or associate degree.
- **Age also matters.** 84% of workers aged 18-24 are struggling, versus 56% of 25-34 year-olds and 36% of 35-54 year-olds.
- **Race is correlated to struggling status.** 57% of Hispanic workers struggle compared to 32% of white workers.

Female workers are roughly equivalent to male workers, in contrast to trends in many regions.

OVER HALF THE COUNTY'S POPULATION STRUGGLES TO MAKE ENDS MEET

Stanislaus County population that belongs to a struggling family — 2019





- Self-sufficient families — **255,179**
- Struggling in working families — **214,260**
- Struggling in non-working families — **75,922**

- Struggling working families
- Struggling non-working families

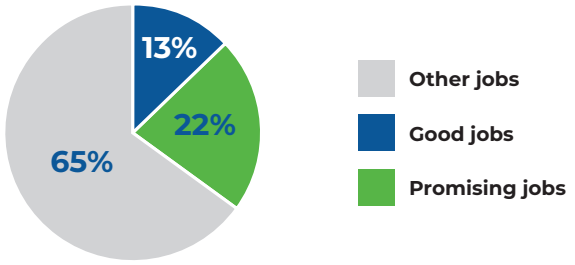
THE GOOD JOBS GAP

As the large number of struggling workers and families in Stanislaus County suggests, the region's economy simply does not generate enough quality jobs that allow for self-sufficiency. Closing this gap is fundamental to any improvement in economic outcomes and expanded prosperity for community members.

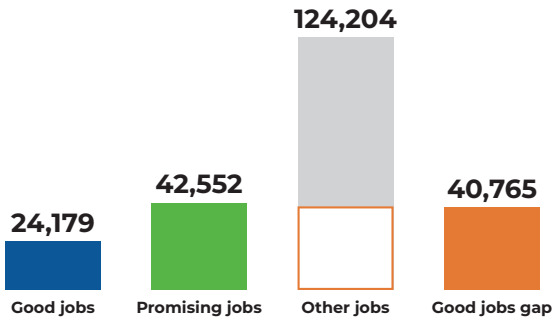
Presently, only 13% of jobs in the County, about 24,000 positions, qualify as good jobs under the Opportunity Industries methodology underpinning this report. (See sidebar for definition of a "good job"). A further 22%, roughly 42,500 positions, count as "promising jobs" offering pathways to a good job within ten years. The remaining 65% of jobs, approximately 124,000 positions, do not meet either of these criteria. This is an extremely low proportion of good and promising jobs compared to other metropolitan areas. **In order to meet the goal set by Stanislaus 2030 – to reduce the share of children in struggling families by 50% – the region would need more than 40,000 "good" jobs than currently exist.**

ONE-THIRD OF THE COUNTY'S JOBS PROVIDE PATHWAYS TO PROSPERITY

Share of Stanislaus County's jobs by quality — 2020



Stanislaus County's job quality numbers — 2020



	Good jobs	Promising jobs	Other jobs
$28.58/hr, full time:	✓	✗	✗
Health insurance:	✓	✗	✗
Career pathways:	✓	✓	✗

DEFINING GOOD JOBS

Debates over job quality have grown in recent years due to growing concerns over the fortunes of U.S. workers and their stagnant wage growth, downward economic mobility, and the changing nature of work itself. These discussions and accompanying analyses encompass a broad range of factors—from wages and benefits, to work environment (e.g. scheduling stability, other individual employer policies).

Brookings's *Opportunity Industries* approach focuses on the following criteria, utilizing consistent factors that enable comparisons across regional sectors and occupations—and ultimately strategic decisions on economic development priorities by local leaders.

GOOD JOBS MEET THREE CRITERIA:

1. Pay a sufficient annual wage that provides most families with enough income to "make ends meet" based on a localized set of basic living expenses and savings, and to be ineligible for public "safety net" benefits in California (e.g. SNAP, TANF, Medicaid).
2. Provide employer-sponsored health insurance, which serves as a proxy for availability of other employment benefits like paid leave and retirement.
3. Afford durability in retaining or leading to another good job in the future.

PROMISING JOBS do not meet all good job criteria but provide career pathways leading most workers to a good job within 10 years.

OTHER JOBS do not qualify as good or promising.

FACTORS OF REGIONAL ECONOMIC COMPETITIVENESS

5

Five factors underlie the economic success of regions. The primary drivers are strong traded sector industry specializations, deep talent pipelines, and robust innovation and entrepreneurship. Enablers that support the drivers, but are not independently sufficient, include well-connected, efficient infrastructure and effective governance through private, public, and civic relationships to focus and coordinate contributions.

The primary drivers are higher-value **traded sector specializations** that bring new money into the local economy, a deep **talent pool and pipeline** with relevant skills and expertise, and robust **innovation and entrepreneurship** ecosystems that create new value and improve productivity.

Enablers needed to support those drivers include efficient, well-connected **infrastructure,** and effective **governance** to focus and coordinate the limited time and resources of diverse private, public, and civic actors that contribute to economic outcomes.

HOW STANISLAUS STACKS UP

INDUSTRY CLUSTERS — With the County's job base so embedded in agriculture and local-serving activities, analysis did not reveal any obvious industry strength that combines an existing specialization, competitive performance, and concentration of quality job production. Therefore, opportunities must center on emerging subsectors that relate to other regional comparative advantages, or the potential to transition current activities toward higher-skill jobs. Stanislaus 2030 focused on the Bioproducts and Circular Economy industry cluster, building on proximity to innovations, feedstock, and manufacturing know-how to transform agricultural waste into materials or energy, such as bioplastics, adhesives, resins, construction materials, or fuel.

TALENT — Despite specialized abilities based on current industry strengths, the County's workforce is marked by comparatively low educational attainment and skillsets that constrain higher-value, knowledge-based job creation in diversified sectors. At the same time, analysis of talent adjacencies — transferability of existing knowledge and skills from one sector to another — found potential to support needs in emerging industry options associated with manufacturing, equipment, and biochemistry, but not capabilities for computer services and software. Other factors like childcare also emerged in the region as above-average barriers to labor force participation by more educated, qualified workers, for which novel approaches could unlock and improve racial and gender inclusion. In any case, changes are essential among workforce system providers, as employers consistently express frustration over the accessibility, responsiveness, and alignment of supports in sourcing mid-skill talent across industries and occupations.

INNOVATION — The County has relatively weak institutional capabilities in research, development, and commercialization that can bring value-add products to market or provide firms with a problem-solving partner to anchor them in the region. Spending and output by academia and business trails other parts of the Central Valley, let alone national peers, although a few strengths in biochemistry and plant sciences could connect to emerging sector options like bioproduct manufacturing. These core innovation challenges suggest deliberately building connections to nearby assets in the North San Joaquin Valley and Northern California. Furthermore, the region ranks very low in entrepreneurship generating jobs and growth, as well as the impact of businesses owned by women or people of color; these likely correlate to missing or underdeveloped basic supports for both Main Street and high-growth young firms.

INFRASTRUCTURE — The region's physical connectivity, broadband, and developable sites offer some advantages. While geographic distribution of jobs and workers are diffused, reducing benefits of concentration to the knowledge economy, the pattern is not adding to racial disparities. Broadband availability to nearly 94% of residents is comparatively high, but bolstering rates of fixed-access subscriptions or full utilization is needed to match national peers. Large, connected sites are well positioned to serve extension of Bay Area production and commercialized innovation, if deliberately linked to opportunity industry objectives versus filling taxable space.

GOVERNANCE — The region lacks a shared agenda across public, private, and civic contributors with a strategy, assignments, and coordinating and accountability mechanisms to drive use of resources. While individual organizations have executed aspects of previous strategies and plans, the lack of collective action has diluted the impact of limited resources. For instance, economic development and/or workforce stakeholders rarely undertake functional collaborations or joint programmatic implementation, or share data and relationships to guide action. The region needs a "center of gravity" through which each entity can operate as a newly integrated team, aligning their contributions as an individual organization toward a common outcome.

STRATEGIC FOCUS AREAS

The scope of the region's challenges means there are more issues and options for intervention than feasible to execute at once. Strategy requires choosing and prioritizing among reasonable alternatives.

Across these efforts, interventions must factor how to address racial and gender differences in access to quality jobs and economic opportunities. Regions that maximize the contributions of all their residents are better equipped to succeed in the modern economy. Not all strategies critical to the region's competitiveness will address race and gender outcomes, but those outcomes should always be a consideration.

Moving to Action

In April 2022, Stanislaus 2030 launched multi-stakeholder workgroups to convert research findings into strategies, which focused on the following areas:

- ### BioIndustrial Manufacturing

  Target manufacturing potential as a location for piloting and scaling production of new materials and energy, leveraging agricultural assets and proximity to innovation.

- ### Talent Development

  Implement best practices for primary workforce providers to align their efforts, prioritizing activities by job quality and access for both new and incumbent workers, link to economic development objectives, and increase accessibility and responsiveness to business in opportunity industries. Ensure competitiveness of local ag firms by upskilling and reskilling ag workforce.

- ### Remove Non-Skill Barriers to Jobs & Training

  Engage employers in collective solutions to providing childcare access, transportation, and English language proficiency as competitiveness issues that unlock needed labor force participation.

- ### Entrepreneurship and Small Business Dynamism

  Identify and fill the mainstream supports that are missing or should be scaled in a region of this size to improve outcomes for young firms, with a special sub-focus on women and minority-owned business.

STANISLAUS 2030 INVESTMENT BLUEPRINT

Entrepreneurship & Small Business Dynamism
$8.05 million

Create a Loan Fund	Create a loan fund to provide small businesses, at any stage in their business development, access to loans of less than $50K, using an easy application process, where loans can be funded quickly.	**$5,000,000**
Develop Community-Based Business Hubs	Create resource hubs in priority communities across Stanislaus County via physical centers and using culturally appropriate methods	**$500,000**
Support Financial Mentoring	Implement a finance-focused program that matches small business owners with CFOs to create an objective financial model that helps them navigate their business toward financial sustainability.	**$600,000**
Explore Promising Business Supports	Explore and advance business supports, such as small business procurement, streamlined permitting processes, small business accelerators, social enterprise, and maker space incubators.	**$1,950,000**

Talent Development
$4.5 million

Launch Manufacturing Talent-to-Industry Exchange	Identify and resource neutral convener and technical experts to facilitate collaboration among Talent-to-Industry partners, followed by an implementation of strategies prioritized within the planning process, including incentives for work-based learning.	**$2,500,000**
Upskill and Reskill Agricultural Workforce	Fund expansion of the federal farmworker job training program to include undocumented farmworkers.	**$1,000,000**
	Provide match funding to local institutions of higher education to expand certification programs in specialized ag fields.	**$1,000,000**

Address Non-Skill Barriers to Jobs & Training
$2.1 million

Expand Child Care Slots	Fund the planning and prototypes for parent-led and employer-sponsored childcare cooperatives.	**$1,500,000**
Connect Public Transportation to Industry	Fund the expansion of public transportation to industry hubs through smaller bus shuttles.	**$600,000**

Traded Sector Development: Bioindustrial Manufacturing
$57.6 million

Build an industry Ecosystem with Cross-cutting Initiatives	Develop a shared pre-commercial scale manufacturing facility to help firms move from lab-based viability to commercial manufacturing, and to establish the region as a national industry leader.	**$31,000,000**
	Create flexible, firm-specific incentives to attract target companies, focused on regulatory reforms and financial supports to boost productivity (infrastructure, workforce development).	**$9,000 ,000**
	Create a Bioindustrial Manufacturing Growth Partnership to function as a hub for the sector and to drive implementation of the industry strategy.	**$2,300,000**
Expand Access to Innovation	Create knowledge transfer programs and innovation vouchers, providing access to specialized problem-solving expertise for small and mid-size firms.	**$900,000**
	Launch a competitive, cohort-based accelerator program for later-stage startups, with specialized facilities, investment, mentoring, and curated customer/capital networks.	**$10,000,000**
	Provide customized technical assistance to firms across the value chain to promote “cluster” effects, strengthening supplier, partner, and customer base operations.	**$650,000**
Connect Capital with the Region	Cultivate an external bioproducts investor network to connect their portfolio firms into the region and help local scale-ups access existing resources.	**$200,000**
	Improve local access to government research and commercialization funding through matches and application assistance.	**$1,000,000**

Traded Sector Development: Bioindustrial Manufacturing (cont.)
$57.6 million

Support infrastructure Enablers	Identify prospective sites and assess readiness for bioindustrial companies, potentially followed by incentives for physical improvements.	**$100,000**
	Explore support for reliable, efficient feedstock access via an intermediary to link local supply chains and/or a pre-processing "depot" for waste streams.	**TBD**
Generate a Targeted Talent Pipeline	Develop a "plug-and-play" workforce system response as a priority subsector of the proposed Manufacturing Talent-to-Industry Exchange.	**See above**
	Create sector-relevant work-based learning paired with intensive support services, especially among students of color, integrated with proposed Manufacturing Talent-to-Industry Exchange activities.	**$2,450,000**

Governance & Capacity Building
$3.5 million

Launch Team to Drive Implementation	Create an intermediary structure to act as center of gravity for inclusive economic development agenda with leadership/project management team to convene and drive distributed implementation plans, including centralized data, focus on equity and inclusion, and alignment with other regional initiatives.	**$1,000,000**
Build Capacity of Local Government Around Inclusive Economic Development	Invest in collaboration among economic development practitioners across cities and county to build knowledge around Stan 2030 objectives and best practices in community investment and host Fuse Corps Fellows to strategically support Stanislaus County workforce and economic development departments.	**$500,000**
Catalyze Existing Programs to Scale	Develop a one-time competitive grants program to fund existing programs that align with Stanislaus 2030 focus areas, with the intention to expand, scale and learn from local practitioners.	**$2,000,000**

Total Investments to Build a Resilient Economy — **$75,750,000**

Entrepreneurship and Small Business Dynamism

ENTREPRENEURSHIP AND SMALL BUSINESS DYNAMISM

Business dynamism and entrepreneurship are critical signals of a region's ability to generate new ideas and enterprises, apply those novel elements to commerce, and contribute to regional employment and wealth. Stanislaus County lags peers in key indicators of business dynamism, suggesting it is underperforming in the creation and sustainability of new ventures.

Between the Great Recession and the COVID-19 pandemic, jobs at young firms[1] fell precipitously from a 2009 baseline. While California and national peers also saw declines, Stanislaus fell to the middle-to-the-bottom of this cohort and has yet to recover.[2]

Targeted analysis of women and black, indigenous and people of color (BIPOC) entrepreneurship adds to these stark conclusions. Relative to their share of the population, BIPOC and women business owners generate fewer businesses and jobs in the region; conversely, white and male business owners generate an outsized number. While the female and male population in Stanislaus County is roughly equal, the percentage of business ownership by men totals greater than 80% and the number of jobs created by men is over 90%. Additionally, white business owners account for slightly more than 40% of the population, but represent 70% of business owners and greater than 80% of job creation. Despite people of color comprising nearly 60% of the population, they represent less than 30% of business ownership and less than 20% of job creation.[3] This suggests that people of color and women community members face barriers to entrepreneurship and business success, inhibiting a significant—and growing—share of the region's population from reaching their potential and achieving the true economic potential[4] of Stanislaus County.

At the individual level, the solutions identified below clear a path for BIPOC and women business owners to have greater access to business development support; a crucial step to increasing the number of companies started by these historically under-resourced demographics.

At the community level, research suggests that rural areas can benefit from fostering a vibrant small business and entrepreneurship ecosystem. Rural small businesses have been found to generate wealth that stays in the community, build local leadership, and even contribute to the population's health.

Consequently, an outcome of increasing the number of business starts by people of color and women is a community-level benefit that complements local economic development strategies and investments.

The region's current performance in these fundamental areas of business dynamism suggests the need for building a more comprehensive entrepreneurial support ecosystem, including targeted supports for BIPOC and women entrepreneurs. In short, business and entrepreneurship supports are missing or not at the required scale[5] for both Main Street[6] and high-growth young firms.[7]

1 Firms in existence five years or less, a common measure of business dynamism
2 Stanislaus 2030 Market Assessment, page 13
3 Stanislaus 2030 Market Assessment, page 14
4 Stanislaus 2030 Market Assessment, page 14
5 Stanislaus 2030 Market Assessment, page 46
6 Small businesses that are locally serving, community based, commercial corridor anchors.
7 Traded, potential to generate significant jobs.

Goal

By 2030, any person wanting to start a business in Stanislaus County will have the support they need to be successful. The focus is on serving entrepreneurs/small businesses who are locally-based – both Main Street and growth firms – with a special emphasis placed on BIPOC and women entrepreneurs, who are currently underrepresented as business owners.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Parity	Disparities exist in business ownership by gender and race in Stanislaus County.	Stanislaus County has achieved racial and gender parity in entrepreneurship and business ownership, proportional to the population.
Leading In Business Dynamism	Stanislaus County lags peers in key indicators of business dynamism, suggesting it is underperforming in the creation and sustainability of new ventures.	New and young firms have become the key to Stanislaus County job creation, innovation, and economic growth.
Financing	Entrepreneurs do not know how to get financing for their business and believe new companies are ineligible for the funding vehicles available locally.	Aspiring entrepreneurs who want to start or expand their businesses, especially women and BIPOC owned businesses, can easily access capital.
Filing Requirements + Pre-Launch Support	Entrepreneurs get discouraged because they do not know how to meet local, state, and federal filing requirements.	Entrepreneurs successfully navigate a streamlined regulatory landscape to launch their businesses, meet the local, state, and federal filing requirements, and sustain business licensing.
Mentorship	Entrepreneurs have difficulty identifying viable business ideas and long-term business mentorship.	Entrepreneurs have access to ongoing mentorship that provides feedback from idea development, and business model formation, to launch.
Back Office	Entrepreneurs feel that they are unaware of the "back office" monitoring and reporting needed to operate their business effectively.	Entrepreneurs are aware of the necessary functions of a "back office" system and have the support to implement them to operate their business effectively.

Our Community's Solutions

The following investment recommendations are vital and feasible for implementation in our community. Stanislaus County can take coordinated and sustained action to provide the supports needed for entrepreneurs and small businesses, particularly owned by women and BIPOC, to thrive and contribute positively to the local economy. The recommended actions and investments align to the requested supports collected from the entrepreneur and small business owner focus groups, which include bolstering mentorship opportunities, technical assistance, incubator and accelerator programs and access to capital.

LOAN FUND

Many entrepreneurs and small business owners are not aware of financing options available to them or believe they don't qualify for mainstream financial services like traditional business loans and credit lines. Instead, many rely on high interest rate credit cards, predatory lenders or the cottage industry of local individuals who provide high interest loans. This makes it extremely difficult to advance their business, and in fact, sets some businesses up for failure. The proposed Loan Fund solution benefits entrepreneurs and small business owners looking for capital to develop or expand their businesses, as well as local financial institutions who have a CRA[8] focus and are looking to support the communities they serve.

The Loan Fund will be established to guarantee loans from financial institutions, with part of the fund invested to grow the fund and cover costs associated with administering the fund. The Community Development Corporation, Community Development Financial Institutions and Banks will all work together to bring this mainstream financing opportunity to Stanislaus County entrepreneurs and small businesses, especially women and BIPOC-owned businesses, at an affordable rate.

Small businesses at any stage in their business development will be eligible to apply for loans up to $50K using an easy application process, receiving assistance with the application process, if needed. A Loan Fund Committee will evaluate applicants and recommend applicants, along with a proposed interest rate the applicant can afford, to participating banks. Banks will fund the loans and process the required paperwork. Finance-focused business training will be provided to entrepreneurs/small business owners as a cohort-based, incentivized component of the loan process, offered in their neighborhood or online. The Loan Fund will be used to pay back defaulted loans.

The Loan Fund program will be evaluated annually, to appropriately evolve the services and offerings, based on established success metrics and community needs.

Investment Ask

$5,000,000 million total in the first year, with $1,000,000 in grant funding and $4,000,000 for loss reserves (non grant deposit as leverage to cover losses). Implementation includes securing funding, establishing workflow processes, funding applicants, and after launching the Loan Fund, evaluating the program and considering improvements.

Considerations

The local Community Development Corporation and Community Development Financial Institutions in the region are supportive of moving this effort forward, but additional support will be needed from other area banks. Additionally, community education and awareness of the fund, particularly through communication on the part of trusted influencers and partners, will be necessary to obtain applications. Other critical components of this solution include establishing operating procedures under a clear mission that meets legal and regulatory guidelines, and the composition and duties of the Loan Committee who will review the applications.

8 The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods.

COMMUNITY-BASED BUSINESS HUBS

A gap exists in how small business resources are disbursed to the communities within Stanislaus County. Traditionally, this service model depended on small business owners and entrepreneurs seeking business development support. But limitations with this delivery strategy have manifested in the low number of BIPOC and women business owners working with local resource agencies.

This gap in service delivery can be defined in two parts. First, in marginalized and underserved communities, building the trust of community members is essential to long-term engagement. Without this sense of trust, resource agencies face barriers to engagement. Second, culturally centric approaches are vital for trust-building efforts and effective service deployment. Language translation, partnerships with grassroots organizations, and leveraging community influencers as trusted messengers are approaches that honor ethnic traditions and community expectations.

Community-based business hubs are physical spaces in underserved communities where agencies can meet business owners where they are. This updated service delivery strategy can advance trust-building efforts for agencies by being "in the neighborhood." It also raises awareness of small business resources and makes them more accessible to community members.

These business hubs will offer culturally sensitive, business capacity-building opportunities to create a business "back office," ongoing business mentorship, and a warm hand-off to other off-site resource services across the county.

Investment Ask

$500,000 to fund a three-year approach to plan and implement community-based business hubs. This investment ask is spread over two different phases. Planning Phase (Year 1): $100,000 for strategic planning with resource agencies to establish a structure for the small business resource ecosystem and designate the business services each agency will own. Implementation Phase (Year 2 & 3): $400,000 to launch resource hubs in three staffed community hubs.

Considerations

Currently there is not a clear neutral lead organization for this initiative, but logical partners would include local technical assistance agencies, chambers of commerce, governmental small business departments, and community-based organizations. Securing cross-sector collaboration, alignment, and support from this diverse group of resource-focused organizations is essential to prevent service redundancies.

FINANCIAL MENTORING

Stanislaus 2030 research has highlighted the need for financial literacy and coaching amongst entrepreneurs and small business owners, across every stage of business development, regardless of business lifespan, growth, or revenue.

Implement a finance-focused program that pairs small business owners with CFOs to create an objective financial model that helps them navigate their business toward financial sustainability. The program will provide one to one coaching between a CFO and a small business owner, for a 10-week cohort including 15 small business owners. The CFO meets the business owner where they are, helps identify their business goals and aspirations, and assists them in moving towards their goals. Teaching is built into the process as they develop a working financial model that will serve as their guide for sales and revenue goals. Trust is established throughout the process, and small business owners report feeling knowledgeable and empowered by the end of the program.

Investment Ask

$150,000 in grant funding is needed to engage Mission Edge to implement their financial coaching program for two cohorts (Spring and Fall) in Stanislaus County, and $50,000 is needed for a local partner to provide staffing and marketing costs to administer the program.

Considerations

Prioritizing people of color and women owned small businesses for acceptance into this program provides this historically disinvested population access to expert financial resources, offering the opportunity to be profitable and grow sustainably. The need for assistance with financial literacy for entrepreneurs and small business owners in Stanislaus County has been highlighted through Stanislaus 2030 research. The Mission Edge program has demonstrated success with positively impacting small business owners in San Diego, and replicating that success in Stanislaus will be a valuable support for small business owners. Mission Edge worked in Stanislaus County previously with success in implementing a program supporting the profitable growth of nonprofits.

Other Promising Supports

Small businesses are the lifeblood of the U.S. economy: they create two-thirds of net new jobs and drive U.S. innovation and competitiveness. Across the United States, communities are coming together in new ways to improve the supportive economic environment required for small businesses to thrive. A scan of the United States showed that successful communities where small businesses were being created and growing had some business supports in common, including the ideas below, all of which are promising opportunities for implementation in Stanislaus County.

9 Small Business Administration Office of Advocacy Release No. 19-1 ADV, 2019
10 Living Cities Report, CULTURE, COLLABORATION AND CAPITAL: LEVERAGING PROCUREMENT FOR ECONOMIC EQUITY, 2019

LOCAL PROCUREMENT

Economic equity in the procurement realm means engaging a new and more diverse set of vendors and contractors. It makes economic sense and creates stronger communities by growing the middle class and thereby the local tax base. Equitable procurement contributes to business growth, particularly for minority businesses.[10] Contracts from governments, cities, counties, school districts, universities, hospitals, utilities and corporations can provide the kind of stable, predictable revenue that allows small and new businesses to grow and expand, and with that growth comes increased employment.

An expanded pool of vendors and contractors can bring local organizations higher-quality and more competitive contracts. Throughout Stanislaus County, mid to large organizations could purchase goods and services from small businesses. An organizing entity, along with creating a list of participating small businesses and their products/services, could secure commitments from mid to large organizations in Stanislaus County to purchase a percentage of their procurement budget from local small businesses.

Investment Ask

$100,000 to fund an assessment within Stanislaus County to identify the potential and opportunities for development of a Local Procurement program in our community. The assessment could include small business products and services, small business capacity, and mid to large size organizations willing to participate in a local procurement effort.

SMALL BUSINESS ACCELERATOR

Small business accelerators support early-stage, growth-driven companies through education, mentorship, and financing. Companies enter accelerators for a fixed period, traditionally three-to-four months, as part of a cohort of companies. The accelerator experience is a process of intense, rapid, and immersive education aimed at accelerating the life cycle of young innovative companies, compressing years' worth of learning by doing in just a few months.

In 2022, Stanislaus Equity Partners (STEP) prototyped a five-week micro business accelerator with a cohort of local businesses owned by people of color and women. The success of its program in graduating its cohort and directing them to funding sources and its waitlist of companies wanting to join STEP's second iteration of the accelerator demonstrates the potential for scaling this idea.

Regarding the impact on highly localized small businesses, accelerators can have a significant effect on attracting early-stage financing and additional investors to a community. This can generate benefits beyond the larger economy as attracting and accessing startup capital, especially for women and people of color, which is difficult. Additionally, accelerators providing pathways for greater access to capital have the potential to result in employment growth from new companies and spur interest in entrepreneurship more broadly.

Investment Ask

$750,000 over three years; $50,000 for strategic planning efforts in year one that can align community partners, business leaders, resource agencies, and investors to support an accelerator's development; and $700,000, split over years two and three to cover staffing, programmatic delivery, promotion, and small business investment.local procurement effort.

STREAMLINE PERMITTING

Local jurisdictions can streamline the permitting and licensing process to facilitate small business growth, especially for BIPOC and women. This will ensure a clear and straightforward route for small businesses to open and prosper in the marketplace.

Small business owners in Stanislaus County have struggled to navigate the permitting and licensing process due to process inefficiencies, language barriers, lack of transparency, and costs. The following recommendations are three avenues for streamlining local permitting and licensing procedures, all of which have been implemented by metropolitan cities like Denver and Boston. (1) Publish permitting and licensing processes online that include pertinent contact information, timelines for completion at each stage, cost, and the number of procedural steps related to each process. (2) Local jurisdictions can provide a "one-stop shop" for licenses and permits to streamline compliance for small businesses. (3) Appoint a regulatory or small business advocate to guide small businesses through the regulatory process, advocate on their behalf when problems arise, and ensure small business feedback and recommendations are incorporated into development and implementation processes.

Investment Ask

$500,000 over two years, $300,000 in upgrades to local jurisdiction online web pages and user interfaces related to moving small business permitting services online; and $200,000 for staffing a small business advocate to serve owners and entrepreneurs in Stanislaus County.

MAKER SPACE – INCUBATOR AND STOREFRONT

When maker spaces open, there is potential for many types of products to launch, helping both small businesses and the local economy. A maker space and storefront in Stanislaus County can bring together artisans and fabricators, provide community, and offer a storefront to sell goods. Maker spaces can act as a business incubator, include artist studios and storage spaces, offer workshops with machinery that may also benefit talent development for certain manufacturing jobs, contain classrooms for community classes and events, while a storefront helps launch new businesses with sales.

A complement to other artisanal maker pop-up events already happening across our County, a maker space and storefront could be built out in a place with available space, that is easily accessible with public transportation, and already sees foot traffic from shoppers.

Accessible and affordable maker spaces provide tools, expertise, education, and opportunity for all members of our community to create, collaborate and make their business ideas a reality. This is already happening successfully across the nation.

Investment Ask

$100,000 to fund an assessment of Stanislaus County to identify the potential and opportunities for development of a Maker Space and Storefront in our community. The assessment could include potential spaces and locations, services and offerings most aligned to local needs and artisan needs, and identification of local partners and funding sources.

SOCIAL FOCUSED CAPACITY BUILDING

Small business development support for social enterprises that offer employment opportunities to individuals who were previously involved in gangs or incarcerated, at risk of homelessness, or have disabilities. Through the creation of a business development program that is directed to social enterprises focused on the three core competencies for mission-based organizations to thrive: (1) supporting in forming a revenue model that provides sustainability for the business; (2) creating and marketing products and services; and (3) subsidizing hiring expenses that focus on offering on-the-job training to at-risk employees.

By supporting more socially focused businesses that generate revenue, pathways to sustainable impact can be created while also creating more jobs specifically designated for individuals who are in need of employment. Additionally, supporting these kinds of social enterprises is an alternative way to offer wraparound services to individuals in need, as employees can receive access to case management, system navigation, and employment placement services.

Investment Ask

$500,000 over two years for program delivery and hiring subsidies. Included in programmatic delivery is the creation of a strategic plan and theory of change for both supporting the development of local social enterprises and the hiring of at-risk employees.

Talent Development

TALENT DEVELOPMENT

Workforce capabilities are the single greatest input to more inclusive outcomes and competitiveness in the modern economy. The economic success of individuals, firms, and regions correlates closely to higher levels of educational attainment and density of the talent pool. Talent availability factors rank first among business location decisions in general, and particularly in sectors that concentrate higher quality jobs. This includes the existing labor pool and the ability of the pipeline to generate more local workers with relevant knowledge, skills, and expertise needed over time, especially because retention is higher when hiring from within.[11]

Overall, Stanislaus County's labor pool lags comparison regions in educational attainment and available skills, notwithstanding a few categories of strong technical specialization. The extent of these lags impedes diversification, higher quality job creation, and economic mobility.

The County's internal "talent pipeline alignment" from post-secondary education and credentialing impacts the overall ability of workers to access good and promising jobs available in the regional economy. Yet, there is a substantial variance in the quality of regional jobs available based on completion of different academic and training programs, and relatively high student participation in programs that do not lead to better jobs. This suggests an opportunity to build stronger alignment within the local talent development pipeline and specifically, as it relates to career guidance and how to better prepare workers and students for quality jobs.[12]

Furthermore, input from local business and industry suggests that educational institutions must continually ensure that training and programming is responsive to market needs, particularly as advancements in technology, processes, and other elements of work transform occupations. Closer engagement with employers on program design and flexibility in adapting curricula can also help students make more effective choices and transitions from school to career.[13] Finally, talent to industry exchange models can effectively identify and meet employer needs at scale, including for smaller and mid-sized firms with less capacity to engage, and for a larger swath of firms exhausted by ad-hoc, duplicative or incomplete firm outreach by workforce and education partners.

The Talent Development Workgroup has identified several priority areas for investment to improve job quality, develop and retain local talent, and supply employers with a skilled labor force to help them meet the demands of a fast-changing economy. Using the new national standard of a Talent-to-Industry Exchange that is industry and business leadership led, the Workgroup identified the need for further planning and implementation investment. Specific Talent-to-Industry Exchange efforts will need focused, strategic advising including technical assistance, and convening support to ensure the strategies put forward result in innovative partnerships, pilots, projects, and policies that can be sustained for the long-term, duplicated across sectors, and lead to equitable outcomes for the region's workers and learners.

11 Stanislaus 2030 Market Assessment, page 25
12 Stanislaus 2030 Market Assessment, page 28
13 Stanislaus 2030 Market Assessment, page 29

Vision and Goals

By 2030, Stanislaus County will have a strong talent base, representative of our diverse population, that is equipped for "good or promising jobs" by a robust workforce development system that provides the skills in demand by local employers and emerging opportunity industries.

By the end of 2023, we will identify, align, and scale the necessary training programs that will benefit employers beginning with the prioritized opportunity industry of manufacturing and provide clear on-ramps to "good or promising jobs" for students and/or workers seeking employment within this sector.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State] ⟷	TO [Desired Future State]
Industry Responsiveness	Talent system is not responsive to industry needs in real time.	Industry & educational institutions work closely together to rapidly adapt programs and curricula in response to market workforce demands in real time.
Job Quality Over Job Counts	Local training programs are designed for industries that require less-skilled work, prioritizing job counts over job quality.	Training programs are prioritized for opportunity industries that produce good and promising jobs.
Talent Development	Young professionals have a sense that large companies prefer outside talent and don't look locally.	Local firms are known for supporting local talent and creating opportunities for young people to learn about their industry and how to secure future employment.

LAUNCH A MANUFACTURING TALENT-TO-INDUSTRY EXCHANGE

The Talent-to-Industry Exchange model is the new national standard for workforce development and defined by the National Fund for Workforce Solutions as, "a dynamic collaboration of a regional group of employers, stakeholders, and workers that convene regularly with the assistance of a workforce intermediary. Successful industry partnerships embody a shared commitment to good jobs, racial equity and inclusion, and a continuous learning mindset." The U.S. Chamber of Commerce Foundation identifies Talent Pipeline Management or Talent-to-Industry Exchange models as "the strategic alignment between classroom and career, keeping pace with the changing needs of the economy."

Talent-to-Industry Exchanges gather real-time information used to inform strategies for growing the region's talent pool, strengthening the talent pipeline, and aligning employer and educational stakeholder interests. Talent-to-Industry Exchanges intentionally organize around one business-centered sector and within the process, employers play a critical leadership role as end customers in closing the skills gap for jobs most critical to their competitiveness. Talent-to-Industry Exchanges also help organize and manage flexible and responsive talent pipelines in partnership with other employers and their preferred education and training providers. Employers also work collaboratively with one another to develop measures and incentives designed to reinforce and improve performance across all partners.

Exemplary models of Talent-to-Industry Exchanges across the country include Kansas City Rising, Upskill Houston, and Tampa Bay Works. Based on these examples, an effective Talent-to-Industry Exchange must include the following elements:

- Authentically Industry led.
- Regional and comprehensive in approach, covering the full education continuum, from kindergarten to graduate school.
- Engages the full spectrum of talent sourcing providers.
- Data driven and action oriented.

The Talent-to-Industry Exchange has three essential phases: (1) a detailed economic and labor analysis, (2) a workforce action plan; and (3) launch plan implementation. Industry leaders are identified to champion and lead each Talent-to-Industry Exchange, agreeing to act as co-convener and recruit employers to participate. The process addresses racial equity disparities by disaggregating labor market data by race / gender to identify and track progress in reducing disparities; leveraging of critical employer mass to advance improvements in job quality (e.g. internal promotion policies, compensation, benefits) and other business practices (e.g. hiring, adoption of skills-based credentials); partnering with community-based organizations to identify and connect disconnected workers to quality jobs, including addressing barriers to preparedness and access; and investing in support services (e.g. job coaching, mentoring, childcare, transit access) alongside training.[14]

Based on the Stanislaus 2030 Market Assessment and other local data, the manufacturing sector will be prioritized for initial focus with intention to replicate the Talent-to-Industry Exchange with other opportunity sectors in the future. Manufacturing was identified as part of the Opportunity Industry analysis with traded sector themes from the Market Assessment.[15] The intention of the Talent-to-Industry Exchange will be to more effectively identify and meet employer needs at scale, while also enabling workforce and educational institutions to access more comprehensive, real-time input that accurately informs activities across occupations and skill levels. If successful, current and future workers, representing the region's diversity, will be better positioned to access quality jobs.

Investment Ask

$2.5 million over three years, which will include $500,000 to support Talent-to-Industry Exchange planning, development and formation process. Planning objectives will be to identify & resource local neutral convener and technical consultancy, convene Employer Table, assess talent development partner landscape, assess and develop learner/worker profiles, identify, resource, launch and/or scale solutions. $2 million is proposed to be set aside to operationalize and scale prioritized solutions/ programming identified in the planning phase.

14 National Fund for Workforce Solutions, Toolkit for Developing High-Performing Industry Partnerships, available at: https://nationalfund.org/industry-partnership-toolkit/.
15 Stanislaus 2030 Market Assessment, page 6

UPSKILL AND RESKILL AG WORKFORCE

Agriculture, like many other industries, faces market pressures and global headwinds, along with rapid opportunities for innovation, that are forcing rapid automation. Since the 1900's, agricultural employment has dropped from 40% of the total global workforce to 2% today.[16] Ag firms in Stanislaus are no exception: to remain competitive, the local industry must automate to improve efficiencies, product quality and improve working conditions.

The challenge is how to prepare the current and future ag workforce for these new, higher paying and more technical jobs. According to the Journal of Rural Studies, "many workers will need to upskill or retrain as their roles evolve to incorporate AI - one positive is that for employees who are highly skilled in tech there will be many opportunities to progress and develop. As their skillset becomes more sought after, there will also be a greater case for higher salaries." [17]

In addition to training for new technical skills, recent reports indicate that employees who will best adapt to labor shifts in the new economy will need to possess 'soft' digital skills such as critical thinking, and social and emotional intelligence. The Advisory Council on Economic Growth in 2017 noted that sufficient investments in life-long training, education, and skills development for currently marginalized groups (e.g. low-income workers, new immigrants, Indigenous peoples, women, and persons with disabilities) significantly advances the upward mobility of communities.

In Stanislaus, agricultural production and processing is the foundation of the region's job creation and identity; further, it provides a base for other activities: bioproducts, higher-value food processing and other manufacturing.

The Stanislaus 2030 Market Assessment indicates that improving food-related job quality and durability involves bolstering adoption of innovation and technology within the industry. Doing so would increase the skills requirements, value-add, and productivity of workers. While expected to reduce the total number of agriculture jobs, it would create a smaller number of better, higher-paid positions and improve the competitiveness of the sector.

Goal

By 2030, Stanislaus County will have multiple training pathways to equip ag workers with business and digital skills to ensure competitiveness of local ag firms.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Workforce Professionalization	Training/education for 'professional' agribusiness jobs not available locally (i.e. HR, Finance, Information Technology).	Ag Business B.S. Degree with concentration in HR, Finance or IT offered by local institutions of higher education.
'Just in Time' Training	Limited training for 'in-demand' ag certifications (i.e. food safety, cyber-security, CRM/Database management, in-field technology, Pest Control).	Extended education programs offering 'a la carte' certification training within short time frames for in-demand local industry needs.
Financial Barriers to Training	Limited funding available to upskill local ag workers, including undocumented workers.	Funding accessible to all ag workers, including undocumented workers, to allow upskilling and reskilling while covering cost of program and/or living costs.

16 https://ourworldindata.org/employment-in-agriculture
17 Jobbio, 2018, pg 6, https://www.sciencedirect.com/science/article/pii/S0743016718307769

EXPAND AGRICULTURAL EDUCATION PROGRAMS TO MEET INDUSTRY NEEDS

Emerging trends, automation, market pressures and new regulations require a new set of training classes and education offerings in agricultural education. Food safety, handling, and waste were skills and competencies recognized by industry as essential for success in the workplace. In addition to food safety, evolving technology has changed the way agriculture uses water, thereby impacting the skill requirements of technicians. An integrated approach to installing, managing and repairing water systems is required.

Across these and other themes, agriculture leaders encouraged the CSU Stanislaus and Modesto Junior College to consider development of: (a) certification programs determined through consultation with industry experts; (b) micro-internship experiences aligned with certification objectives; and (c) support in navigating application, interview, and hiring processes.

Investment Ask

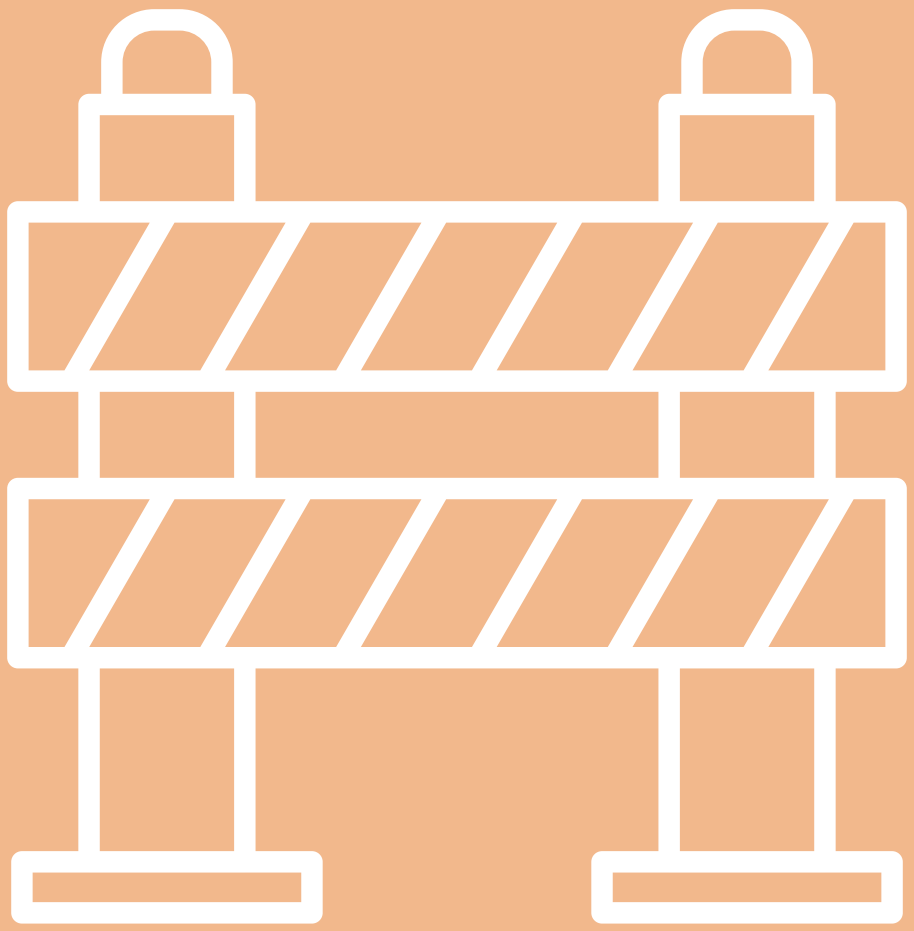
Seek match funding of up to $1M to local institutions of higher education to expand certification programs in specialized ag fields. Explore expansion of the Modesto Junior College and CSU Stanislaus programs to meet specific industry demands real-time.

FUND EXPANSION OF THE NATIONAL FARMWORKER JOBS PROGRAM

Fund expansion of the National Farmworker Jobs Program (NFJP) at the Central Valley Opportunity Center (CVOC). The NFJP is the most successful job training program operated by the U.S. Department of Labor (DOL). CVOC is the local grantee for this program, which is aimed at educating and training farmworkers into jobs that allow them to earn an income to sustain themselves and their families. In addition to employment and training, CVOC serves farmworkers in other ways, including transportation, rental and utility assistance, health, pesticide safety, GED, ESL, housing, and economic development.

Investment Ask

$1M in funding to extend the federal training program to include undocumented farmworkers. Partner with Central Valley Opportunity Center (local grantee of National Farmworker Jobs Program) and other aligned community-based organizations, to increase access to programming specifically designed to educate and train farmworkers into jobs that allow them to earn an income to sustain themselves and their families. CVOC would expand services to undocumented workers and their children, to include vocational training in a variety of occupations, academic development, language development, basic job skills training, and immigration assistance. In addition to education and training services CVOC can provide support services such as rental assistance, emergency shelter, food assistance, utilities payments, training related service stipends, clothing assistance, transportation assistance, and referral to other community partners that can fill in any service gaps.



Remove Non-Skill Barriers to Jobs & Training

REMOVE NON-SKILL BARRIERS TO JOBS & TRAINING

In addition to workforce training, special attention must also be paid to non-training barriers to workforce participation and success. For instance, Brookings analysis of the region's "out of work" population points to challenges around childcare access and limited English proficiency as above average barriers to labor force participation, including for individuals already having higher educational attainment.[18]

Within our current workforce, women make up 63% of 25-54 years olds who are out of work. 60% of Stanislaus County's out-of-work 25-54-year-olds who have at least a high school diploma are caring for children (compared to 40% nationally). And in Stanislaus County, 74% of out-of-work residents who have a bachelor's degree are people of color.

Intermediary activities that help businesses and workers solve these challenges for mutual benefit, such as novel approaches to offering childcare, can unlock an additional segment of the labor force and improve racial and gender inclusion.[19]

To expand the local workforce, Stanislaus 2030 focused on two strategies: access to safe and affordable childcare, and transportation.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State] ⟷	TO [Desired Future State]
Childcare	Parents don't have ways to ensure their children are safe and cared for during the hours they want/ need to work/train.	Parents have ways to ensure their children are safe and cared for during the hours they need/ want to work/train.
Transportation	Not everyone in Stanislaus County has access to transportation that allows them to get to and from living wage jobs and training programs.	Regardless of where you live in Stanislaus County, you can access transportation to work and training when you need it.

18 Stanislaus 2030 Market Assessment, pg 31
19 Stanislaus 2030 Market Assessment, pg 31

Goals

By 2030, Stanislaus County job seekers will be able to access training and employment that provides a pathway to prosperity. Barriers that have nothing to do with their skills will not get in their way.

Our Community's Solutions

PARENT AND EMPLOYER-LED CHILDCARE COOPERATIVES

Child care is essential for economic prosperity. A good child care system both creates and enables jobs by supporting good jobs for those working in child care, and enabling parents to participate in work, education, job training, or other related activities.

In Stanislaus County, access to high quality child care is a serious barrier for many families. Pre-Covid, only 16.5%[20] of working parents with children had access to licensed child care spaces, and Stanislaus County Office of Education estimates that in order to meet the local workforce demand, the County would need to add approximately 36,000 childcare slots for children ages 0-11.[21]

The pressing need for child care facilities has prompted parents, educators, employers and communities to create new structures and methods for the development of child care programs. Increasingly, parents and employers alike are finding that professionally operated child care cooperatives best meet their expanding child care needs. According to a 2021 report on the cooperative landscape in California, child care cooperatives are an effective way to expand child care options for parents, provide better pay and benefits for workers, offer a realistic option for employers to support employee childcare needs on or near-site, and improve working conditions for family child care providers.[22]

20 California Child Care Resource and Referral Network, California Child Care Portfolio (Apr. 2020); U.S. Census Bureau, American Community Survey public use microdata (Oct. 2020).
21 Stanislaus Child Development Local Planning Council, 2020 Child Care Needs Assessment, 2020

Child care cooperatives can take multiple forms, and the Stanislaus 2030 work group process uncovered two models that have potential to grow locally:

Parent/Community Cooperatives

The parent cooperative structure gives parents a voice in the operation of the child care program. As co-owners of the cooperative, parents must be well-informed and actively involved in their child's care. Parental participation goes beyond policymaking and might include sharing special activities or hobbies with children at the center. Parents work closely with a professional staff to ensure that their children receive care and education of the highest quality.[23]

Employer Cooperatives

A "Consortium Model" of cooperative child care where a group of employers or organizations form a child care cooperative to be owned by their combined employee groups, which provides benefits to both parents and employers. Businesses work together to offer child care services within industrial parks and commercial developments for the benefit of those employed there. Other examples may include developers offering child care facilities as a benefit to their tenants, or municipalities placing a new emphasis on the availability of child care services within the workplace. Sponsoring organizations typically provide start-up capital for the venture, donate space for the center and hire management.[24]

Investment Ask

$500,000 over three years to fund planning objectives, which will be to identify technical experts to develop prototype cooperatives with local employers and parents, determine location for pilot parent and business cooperatives based on child care deserts in the County, organize a group of businesses in an identified geographic area to invest in a central child care center ("near-site"), identify all ongoing infrastructure needs, including financials, physical space, licensing, insurance, staff models, curriculum, etc., develop a shared governance model between employers and parents who will get to make decisions about staffing and operation procedures,, and secure public and private funding to support business plans.

$1,000,000 is proposed to be set aside to support infrastructure and operational costs associated with the launch of three pilot projects over three years; two business-led cooperatives and one parent/community-led. Expenses associated with business-led cooperatives will include start-up costs and incentive programs for employers to adopt a childcare cooperative model for employees. A parent-led cooperative investment request will include launch and operational costs, in addition to potential collaboration funds for community-based organizations that may anchor support services.

22 California Cooperatives: Today's Landscape of Worker, Housing and Childcare Cooperatives, California Center for Cooperative Development, Multiplier for its program Project Equity, and Sustainable Economies Law Center, 2021
23 Source: Parent Cooperative Preschools, International
24 Ibid

EXPANSION OF PUBLIC TRANSPORTATION TO INDUSTRY HUBS

Stanislaus County's bus transportation system is organized around two primary transportation hubs - Modesto and Turlock. Although centralization in the two largest cities makes travel efficient for those who live near these hubs, it makes public transit difficult for community members who reside a longer distance from these central points.

The availability of manufacturing and other viable job opportunities throughout Stanislaus County does not align with the currently available transportation routes. This creates a barrier to individuals who cannot afford alternative transportation options and severely narrows their access to employment opportunities.

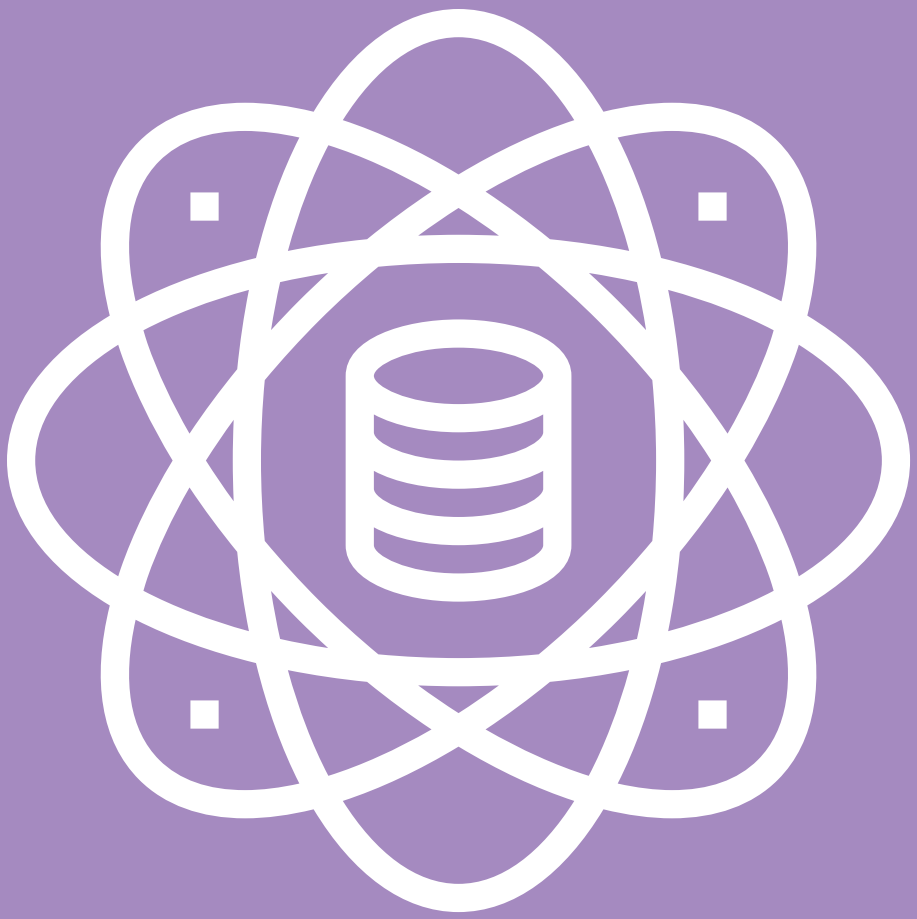
To address this challenge, the Stanislaus County Regional Transit Authority is considering an overhaul of transit service in West and South Modesto as well Ceres, which will expand service in those areas as well as connect those communities with Hughson, Keyes, and Turlock. The addition of these new lines results in the de facto creation of a transit "hub" in the City of Ceres adjacent to the new Walmart shopping center. In early 2023, there will be five new routes circulating through the area and converging in Ceres.

The Stanislaus 2030 workgroup strongly supports this 'hub and spoke' model to increase access to public transportation and encourage government partners at the city and county level to stay connected to their end users and stay committed to the development of this new transportation plan.

A viable and needed solution beyond traditional buses and bus routes is a transportation service with routes to exclusively selected industry hubs. Stanislaus County residents will have low-cost access to transportation designed to get them to their employment at times that match their schedule.

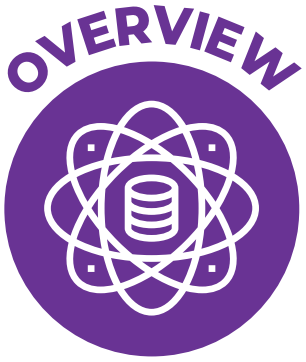
Investment Ask

$600,000 over two years, including $75,000 for research and development and $300,000 for infrastructure costs (i.e. purchase of fleet of passenger vehicles, location of bus stops, and identification of priority routes and operating times), and $225,000 to support staffing, marketing, and maintenance costs in year 2. This solution can be developed in partnership with the Stanislaus Regional Transit Authority and local industry employers.



Traded Sector Development: Bioindustrial Manufacturing

TRADED SECTOR DEVELOPMENT: BIOINDUSTRIAL MANUFACTURING



To address the region's deficit in quality jobs that enable economic mobility, Stanislaus County economic development efforts must prioritize diversifying its current industry base with higher-value traded sectors that build on historic strengths. Analysis of market, talent, innovation, and infrastructure factors identified bioindustrial manufacturing as a novel competitive niche for Stanislaus and the North San Joaquin Valley. This emerging sector holds potential to diversify the economy and generate many accessible good and promising jobs for residents, while building upon and complementing historic strengths in agriculture and food processing.

BioMADE, the federally-designated Bioindustrial Manufacturing Innovation Institute, defines the sector as the use of living organisms — including microbes such as bacteria, yeast, and algae — to create valuable new materials or sustainable alternatives to existing petroleum-based materials. The bioeconomy, beyond human health, is poised for annual economic impact of up to $2 trillion within the next 20 years, with the bio-based materials market alone forecasted to grow 26.5% to $87 billion by 2026 in applications ranging from packaging to electronics to automobiles. Furthermore, growth of the bioproduction sector supports environmental and climate goals, national security supply chain priorities, and rural development.

The Stanislaus region is distinctively positioned for this emerging industry, particularly for the commercialization and manufacturing of non-pharmaceutical bio-based product innovations including materials, chemicals, foods, and fuels. Advantages include proximity to relevant inputs (feedstocks), innovation, and talent, as well as in-state market demand and supportive policies. Stanislaus and Merced are the only two counties in the United States that offer the combination of extraordinarily large, diverse agricultural production and a high concentration of manufacturing activity within close driving distance of a superstar tech city.

This mix of factors provides the foundation for Stanislaus County to be the preferred home for bioindustrial manufacturing firms looking to demonstrate viability and scale production beyond a lab setting, as well as commercialize and expand in the California and U.S. markets. However, unlocking this potential depends on how creatively and productively the region develops and deploys these assets to build an ecosystem.

Vision and Goals

By 2030, Stanislaus County will be a top location in the country for bioindustrial manufacturing firms from scale-up to commercialization, creating significant numbers of new quality jobs for residents across all skill levels.

To achieve that vision, public, private, and civic stakeholders will align and expand the region's ecosystem of assets and supports required for firms and workers to succeed – diverse and abundant feedstocks, talent pipelines, infrastructure, as well as access to innovation and problem-solving expertise.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Regional Alignment, Leadership, and Visibility	The region is not perceived internally or externally as a potential leader in the emerging bioindustrial sector, or organized around the opportunity.	The region is recognized in the US and globally by industry, innovators, and investors as the best place to grow a bioindustrial manufacturing business, with an active, coordinated regional network that supports and communicates leadership in the sector.
Targeted Resources and Infrastructure	Despite the region's many distinctive foundational assets, new and expanding businesses do not yet have access to focused and specialized shared infrastructure, capital, and other supports.	Coalitions in the region provide an easily accessible and customizable set of resources – from facilities to workforce to technical assistance – that prioritize bioindustrial manufacturing firms looking to scale or locate.
Innovation-to-Scale Ecosystem	While there is abundant R&D and entrepreneurial activity in proximity to the region – with facilities demand exceeding capacity – there is limited local activity or connections to test and validate, secure financing, commercialize, and produce at scale.	Sector supports in the region connect with outside innovators, suppliers, and consumers to address barriers, transfer from lab scale to pilot scale, and bring innovations to market production.

Our Community's Solutions

Building a Stanislaus regional ecosystem to drive bioindustrial manufacturing firm growth requires investment across four pillars for sector cultivation – innovation, capital, infrastructure, and talent.

INNOVATION

CAPITAL

INFRASTRUCTURE

TALENT

The strategic investments identified include three cross-cutting initiatives that integrate these pillars and ten program interventions that bolster individual pillars. As a core principle, these tactics aim to ensure inclusive access to quality jobs created in the industry.

Activities complement, rather than replicate, what already exists in Northern California, recognizing the unique benefits of the region's proximity to a global center of technological innovation and investment capital. Furthermore, although Stanislaus is leading this effort, the strategies also relate to the broader North San Joaquin Valley encompassing Merced and San Joaquin Counties, which share similar economic, industry, and talent profiles. Together, the tri-county region's shared assets provide the scale needed to compete in the global bioindustrial manufacturing industry.

CROSS-CUTTING INITIATIVES

Establish a shared pre-commercial scale-up production testbed facility, enabling firms to validate processes and procedures that move from lab-based pilot viability to commercial manufacturing, filling a market gap and distinguishing the region nationwide.

Solution

A universal challenge in translating bio-based product innovation to commercialization is the lack of U.S. "production testbed" facilities and assistance that enable firms to advance lab successes to full-scale manufacturing. Establishing a pre-commercial scale-up production facility in Stanislaus will convert an industry problem to a regional economic opportunity for the North San Joaquin Valley, addressing a combination of innovation, talent, and infrastructure ecosystem needs. Anchored by 20,000 liters of fermentation capacity with bioreactors, upstream/downstream processing equipment, and analytical tools, the facility will provide access to intensive technical assistance from process engineers, biochemists, and other experts. These fill the commercialization gap for a pipeline of bioindustrial firms piloting early-stage products at facilities such as Berkeley National Lab's Advanced Biofuels and Bioproducts Process Development Unit, which is over-subscribed and offers only 300 liters of fermentation capacity. The facility's firms and staff also can serve local workforce development efforts and provide a base for a bioindustrial business accelerator program.

These capabilities place Stanislaus in a distinctive competitive position nationally and globally as the optimal location for bioindustrial innovators and investors to convert ideas into permanent job creation. It is a visible representation of the region's role and commitment, putting the North San Joaquin Valley "on the map" for this emerging sector.

Considerations

Final costs depend on site and equipment decisions; more planning and design is required to confirm capital and operating expenses, however input from industry experts and review of international examples offer a reasonable estimate. Given the cost of ongoing operations, the region must develop a longer-term sustainable funding plan for operations after start-up, likely on a contract research organization model. Talent to fill expert roles is in high demand and not prevalent within the region, so investing in recruitment and partnerships with institutions throughout Northern California will be critical.

Investment Ask

Estimated $31 million total (approximately $25 million capital expenditure, plus $6 million startup operating subsidy over three years), pending full planning and design.

Provide a flexible pool of firm-specific, time-limited incentives to draw anchor firms, focused on boosting productivity rather than subsidizing job creation.

Solution

Highly-targeted financial and process incentives to attract lead companies can be valuable tools for building an ecosystem around a new sector. While some general-purpose state and local incentives are applicable to bioindustrial manufacturing firms, creating a specialized local incentives program will address distinctive needs, focus benefits, and signal the region's position in the marketplace.

These incentives should offer both fiscal and non-financial supports, but avoid cash-based subsidies for job creation. Rather, incentives should be designed to improve firm productivity, based on research that demonstrates site investment, workforce training, technical assistance, and expedited permitting return five to ten times the value of traditional tax abatement programs. Specific elements of the incentive program need to be defined by a local government task force with further industry engagement to determine the intersection between authorities available, value to firms, and structures that protect public benefit.

Considerations

Incentive options in California are constrained compared to other states, although the proposed productivity focus should be more workable. Incentive packages hold risk of loss based on individual firm performance in the marketplace, so investments should be used sparingly to promote a critical mass with businesses that have moved beyond start-up stages. To the extent possible, focusing investment in revitalization areas plus deliberately linking job access to disconnected communities is shown to increase the return on incentive funding.

Investment Ask

Estimated value of up to $9 million over three years.

Launch a Bioindustrial Manufacturing Growth Partnership with dedicated, ongoing capacity to serve as a hub for the sector, facilitate strategy delivery across multiple contributors, and promote inclusive outcomes.

Solution

A Bioproduction Growth Partnership with dedicated staff will be formed as a hub for leadership and coordination in implementation of sector-building strategies, and to provide a "center of gravity" for industry and investors.

The hub will coordinate, support, and execute program design, business development, marketing and communications, funding identification and pursuit, policy advocacy, and performance tracking. It will facilitate and augment activities performed by existing organizations, avoiding duplication and breaking silos, and will serve as the region's primary representative for visibility and engagement with the sector.

The hub will also be accountable for ensuring that inclusive outcomes are considered and measured across strategy areas, and will explore special initiatives that increase employment, build wealth, and/or address environmental inequities among underserved populations.

Investment Ask

$2.3 million over three years for operational costs including staff, marketing, events, travel, research, and administration, as well as stipends for community organizations to participate in inclusion initiatives.

INNOVATION ACCESS

Institute knowledge transfer partnership programs and innovation vouchers to bolster firm access to cutting-edge technologies, processes, and problem-solving.

Solution

Although there is an abundance of technical expertise in universities and research labs in Northern California and beyond, small and mid-sized firms struggle to tap these resources because the process for doing so is often opaque, onerous, or expensive. New knowledge transfer partnership and innovation voucher programs will overcome this market failure and enable connections for small and mid-sized firms to access this deep and tailored support for problem-solving.

Knowledge transfer partnerships provide companies with long-term access to expert resources via a university associate working with a firm over at least one year, in addition to meaningful access to a faculty member with deep expertise. Innovation vouchers are a less intensive intervention that allow small to mid-sized firms to buy hours of consulting services from experts at universities or national labs.

Investment Ask

$900,000 over three years, targeting up to 20 firms.

Create an accelerator program to attract later-stage startups, bolstering the local ecosystem and promoting regional identity.

Solution

Industry-specific accelerators have been successfully deployed to bolster both existing and emerging sectors. Distinct from incubators offering light-touch advising and office space over at least a year, an accelerator is a short-term (3-6 months), competitive, cohort-based program in which promising early-stage firms receive intensive assistance and investment, often in return for an equity stake.

A customized bioindustrial manufacturing accelerator program will be established to serve later-stage startups, after Series A. Because the region currently does not have a significant pipeline of "homegrown" startups, this accelerator initially will focus on drawing in high-potential firms from across the country and globally, following best practices in similar regions. The accelerator will offer capital with specialized supports, such as technical advice and mentorship, facilities access, curated connections to potential customers and investors, and shared services like marketing support. Alumni firms also will receive post-accelerator services designed to encourage companies to stay and grow in the region, such as assistance identifying space and recruiting employees.

Considerations

Without local early-stage startups, the accelerator model relies on attracting external firms, which typically is a significant challenge for regions in a similar position. However, Stanislaus benefits from proximity to a large pool of entrepreneurs and investors in Northern California and statewide. There is a risk of investing in startups that do not stay to operate and grow in the region. Finally, the region will need to explore whether to build an accelerator from scratch or partner with national enterprises.

Investment Ask

$10 million over 3 years, with potential for recoupment in 5-10 years assuming ~5% equity stake in firms.

Improve competitiveness of upstream, downstream, and adjacent firms to promote "cluster" effects through enhanced connections to existing forms of technical assistance.

Solution

A vibrant industry sector depends on the ability of firms to engage productively with a robust web of suppliers, customers, and service partners. Therefore, strengthening the total value chain for bioproducts in the region will be central to success. For example, the North San Joaquin Valley's advantage in feedstock diversity is only realized if agriculture producers and food processing companies are able to rethink how they deal with waste by-products. Similarly, a major draw for bioindustrial firms are regional companies that can act as first customers and innovation partners, but these prospective customers may require help integrating new bioproducts like soil additives or bioplastic pellets into their production.

Mainstream technical assistance providers in Northern California, such as universities or Manufacturing Extension Partnership programs, offer proven business strategy and operational supports for these upstream and downstream firms, some on a fee-for-service basis. Enabling those providers to target and customize offerings for bioproducts-adjacent firms, and offset costs for engaging these external advisors, will accelerate demand and partnerships for bioindustrial manufacturer activity.

Investment Ask

$650,000 over three years, targeting up to 20 firms.

CAPITAL CONNECTIONS

Raise profile with leading bioproducts-focused investors, using national industry finance networks to connect firms into the region and help scale-ups access resources.

Solution

An abundance of bioindustry-oriented capital is available for the types of young, innovative, high-growth companies that the region aims to cultivate, especially in Northern California. Sources include specialized investors in bioproducts, large mainstream investors with circular economy funds, and broader climate tech investment vehicles.

Proactive, targeted investor network cultivation on behalf of the region will harness these sources of capital in two ways. First, investors aware of Stanislaus assets and supportive ecosystem can connect their portfolio startups to the region as a prime location to scale operations. Second, firms in the region can be offered benefits of relationships with these investors and knowledge of their principles. Tactical activities involve outreach to connect with funders and attend conferences, hosting in-market events, and providing insights to firms with high-quality marketing materials and pitch decks.

Investment Ask

$200,000 over three years for outreach, including research, marketing, convenings, and technical assistance.

Promote access to government research and commercialization funding through matches and application assistance.

Solution

Due to risks, private sector investors in emerging sectors tend to underinvest in early-stage businesses for research and development required to achieve commercialization. Public funding like the federal government's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs fill this gap, competitively awarding grants for small firms to do commercialization-oriented R&D independently or in partnership with a research institution. Numerous evaluations find these programs have transformative impacts on business creation and growth.

Helping bioindustrial manufacturing firms to access SBIR/STTR or similar sources through match funding and application assistance, tied to their operations or institutional partnerships in the region, will leverage a proven mechanism for reducing investment risk and promoting the sector. About 20 states provide similar assistance, but California is not among them; a targeted regional initiative fills an obvious gap and affords a clear competitive advantage, at relatively low cost.

Investment Ask

Up to $1 million for matches over 3 years, with staff support to execute, pending industry expert consultation on program design and funding thresholds for the sector.

INFRASTRUCTURE

While Stanislaus offers large developable sites with good access to logistics, water, and power at comparatively low cost for Northern California, the region can translate that to a sectoral comparative advantage by compiling a strategic site portfolio with potential industry-specific investments, and exploring specialized infrastructure to enhance access to bio-based product inputs.

Promote site portfolio awareness and readiness, targeted to unique needs of bioindustrial manufacturing firms.

Solution

Availability of sector-appropriate "shovel-ready" sites remains a significant factor in business location decisions, complemented by workforce and other inputs. Furthermore, research indicates that investing in brownfield redevelopment or infrastructure in distressed areas are among the most cost-effective interventions for job creation.

Therefore, critical to attracting and expanding bioindustrial manufacturing firms in the region is understanding their distinctive site needs, identifying and marketing a portfolio of appropriate sites, and potentially offering support to improve site readiness. Site preparation activities are not solely about physical development, but also regulatory steps such as zoning reforms or pre-approvals of initial environmental reviews that make the region the easiest place in California to locate and operate.

Considerations

More detailed data on the specific real estate needs of bioindustrial manufacturing firms is required to guide prioritization and investments in readiness. If needs vary greatly by firm, then the focus is on basic site portfolio inventories, targeted marketing, and flexibility in responding to leads; if needs are very similar across firms, then investment in developing more speculative facilities could be considered.

Investment Ask

$100,000 for identifying site-specific needs of bioindustrial companies, then creating a portfolio of viable locations for marketing and determining gaps; future budget could be fulfilled by the proposed flexible firm-specific incentives pool, or be justified separately for general physical improvements.

Create upstream infrastructure for accessing feedstocks to improve efficiency and reliability of inputs.

Solution

Availability of consistent, affordable, and usable feedstocks is a prominent market barrier to emerging bioindustrial production. Investing in regional infrastructure to access supply can offer a significant competitive advantage.

While an issue of ongoing exploration and experimentation nationally, the North San Joaquin Valley is well positioned to lead on identifying solutions, which can distinguish it as an innovator and location for industry growth.

Ultimately, interventions may take several forms, at varying expense. A low-cost "soft infrastructure" intermediary or clearinghouse function would enable feedstock suppliers and bioindustrial users to aggregate demand, send clear signals, and connect efficiently in the marketplace. At the other end of the spectrum, a capital-intensive pre-processing "depot" could be built to receive multiple waste streams and produce intermediate outputs sold to bioproduct companies.

Investment Ask

No immediate direct cost beyond existing staff time to explore options with national experts, potentially leading to either nominal operating expenses or a future larger capital expenditure proposal.

TALENT

Access to talent is the most-cited consideration for firms to locate or expand, and workforce capabilities also are the most significant contributor to regional competitiveness and economic mobility. While the Stanislaus labor pool possesses core talent adjacencies with bioindustrial manufacturing, additional training and investments are required to fulfill this potential.

Because the sector is emerging, economic and workforce development systems confront a "chicken-egg" dilemma balancing current jobs available for qualified workers versus availability of workers to meet new industry demand. The investments below will prepare the workforce system for rapid, priority response to anticipated needs of bioindustrial firms, as well as bolster the region's foundational talent base in relevant STEM and manufacturing fields, ensuring access to address racial and gender disparities.

Provide a "plug-and-play" workforce system response to emerging bioindustrial firms, leveraging the Manufacturing Talent-to-Industry Exchange.

Solution

Developing a consistent, long-term talent pipeline for the sector requires intervening on both the demand and supply side: ensuring that bioproducts firms are able to collectively define their talent needs as a sector, and that workforce development organizations work quickly and collaboratively to meet those needs at the necessary scale.

The region's broader Manufacturing Talent-to-Industry Exchange initiative provides the mechanism to achieve this objective, incorporating a special focus on bioindustrial manufacturing firms. Emphasizing a subsector is appropriate as part of a prioritized cluster-building strategy; within these broader activities, participants can analyze occupational demand data, collect sample training curricula in from other markets, and pre-organize providers into a "plug-and-play" support team.

Having this dedicated, informed provider partnership in place will set the foundation for rapid response in anticipation of growth, enable proactive identification of required skills, and send a clear message to target firms about the region's commitment and capability to meet needs.

Investment Ask

Costs are incorporated into the proposed Manufacturing Talent-to-Industry Exchange budget.

Boost and diversify the pipeline of STEM graduates with bioproducts-relevant degrees and industry exposure through work-based learning and intensive support services.

Solution

Bioindustrial manufacturing demands both skilled production workers and a range of specialized talent that is in short supply nationally: chemical and biological engineers, data scientists, mechanical engineers, materials scientists, and more. While the North San Joaquin Valley cannot match the talent production pipeline of large innovation centers, it can compete by building the foundation of students with bioindustry-relevant STEM qualifications at all educational levels, particularly reaching diverse populations less represented in these quality jobs.

Connected with program opportunities identified for the Manufacturing Talent-to-Industry Exchange initiative, these bioindustry-targeted activities encompass work-based learning opportunities and student research experiences from high school through college, plus intensive supportive services for post-secondary completion. This strategy will draw upon best practices and relevant new education models emerging in comparable regions.

Investment Ask

$2.45 million over three years ($950,000 for work-based exposure pilot program serving at least 100 students, and $1.5 million for a degree completion support program serving up to 150 students).

Governance & Capacity Building

GOVERNANCE & CAPACITY BUILDING

According to Brookings guidance on successful regional initiatives, whether regions can deliver on their ideas and ambitions depends on effective "governance"—the formulation and execution of collective action across institutional, jurisdictional, and sectoral boundaries. Explicitly assessing governance acknowledges that achieving desired economic development outcomes depends on action beyond the direct control or resources of economic developers.

What has largely been missing from our community is a neutral intermediary to lead and drive economic and workforce projects and initiatives forward across various actors, institutions, and interests. After assessing local governance dynamics in Stanislaus, Brookings advisors delivered a report identifying how new leadership and institutional relationships will be critical to project success and the delivery of larger economic outcomes.

Traditional metrics for economic development organizations positioned them as independent actors, emphasizing new jobs or capital expenditure typically associated with business attraction through their marketing and incentive activities. However, economic development organizations are only responsible for a subset of the programs, policies, and investments that drive competitiveness. For example, addressing the shift by business to rank skilled labor availability and production as the overall top priorities for location decisions is the purview of the workforce development system.

An "ecosystem" view reflects that diverse contributors hold different levers influencing economic results, and impact depends on how well these separate private, public, and civic institutions focus their efforts to achieve common goals. The return on individual contributions is greater when investments in business support, workforce training, university innovation, and infrastructure buildout are targeted rather than dispersed. More than a willingness to communicate, this relies on shared strategies and metrics around which stakeholders organize and implement their contributions.

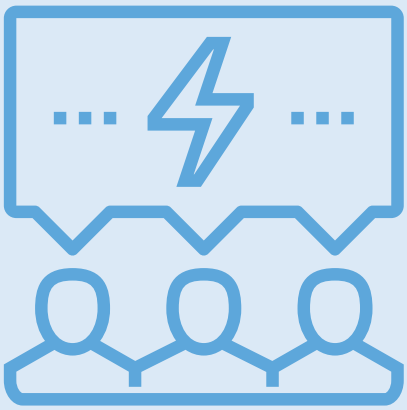
CREATE A TEAM TO DRIVE DISTRIBUTED IMPLEMENTATION

To deliver on the Stanislaus 2030 Action Plan & Investment Blueprint, the creation of a neutral intermediary is essential and recommended. Private, public, and civic sector leadership must agree on roles, norms, and resources, including a "center of gravity" for facilitation and accountability so that agreed strategies are more than a stated ambition without implementation. This includes:

- A shared agenda among business, government and education for inclusive economic development focused on traded sector opportunities, small business innovation, workforce development and removing barriers to jobs and training.
- Ensure program delivery with key partners and collaboratives. Monitor and adjust implementation for outcomes.
- Sustained, consistent leadership connected to shared agenda long-term, with involvement from multiple sectors.
- Builds partnerships with Higher Ed Institutions so that education programs are ultimately responsive real-time to industry needs.
- Industry partners that understand 'what it takes' and clarify what level of workforce development supports they need.
- Proactively secure public and private funding based on solutions that scale within a shared agenda and connect to funding streams for projects within the pipeline.
- Acts as a centralized data and resource hub to track metrics, share best practices.
- Create policy and advocacy objectives that connect local programs to state and federal legislation.
- Participate in regional tables on related issues (i.e. Community Economic Resilience Fund for North San Joaquin Valley region).

Investment Ask

$1 million over three years, to create an intermediary structure to act as the center of gravity for an inclusive economic development agenda. Leadership/project management team will convene and drive distributed implementation plans for all strategies identified in this report. This agile small team will also monitor data related to outcomes, focus on equity and inclusion and align with regional Community Economic Resilience Fund (CERF) efforts and other state activities. Committee who will review the applications.



BUILD CAPACITY OF LOCAL GOVERNMENT AROUND INCLUSIVE ECONOMIC DEVELOPMENT

Local government leaders play a pivotal role towards building a resilient economy, including the power to build policy and scale initiatives. The commitment of local government staff and leaders is essential to sustain inclusive growth as a path to greater prosperity, health, and well-being for residents in Stanislaus County.

There is a compelling rationale for local government to strive for greater institutional alignment. Evidence suggests that businesses benefit from being in regional economies that have strong, networked organizations around them with shared systems and objectives for measuring inclusive growth.

Yet, it can be challenging and overwhelming for local government practitioners to tackle and prioritize inclusive growth objectives. According to the Brookings Institution, "local leaders are increasingly aware of the inclusive growth imperative. Their problem is not one of knowledge or motivation, but rather in marshaling the capacity—fiscal, political, and institutional—to act at a scale commensurate with the problems that they face."[25]

Additionally, the Center for Public Impact reports that the biggest barriers that prevent or hamper cities collective efforts to bolster inclusive economic development include limited staff capacity and lack of networks within and across government institutions to reinforce shared priorities. Local governments are also inherently risk-averse, which makes it difficult to shift policies and practices that deviate from the status quo.[26]

Based on these challenges, Stanislaus 2030 recommends strategic investments in local government capacity to advance inclusive growth, including resources to build stronger networks across municipalities to help align objectives and leverage resources, and funds to increase innovation within government institutions. One novel solution is to scale the Fuse Corps program to Stanislaus County, which partners with local governments and communities to more effectively address pressing challenges by placing experienced professionals in local government agencies. FUSE Executive Fellows lead strategic projects on pressing issues at the local level, such as economic development and workforce training, that are designed to accelerate progress and advance racial equity.

Investment Ask

Up to $250,000 for collaboration among economic development practitioners across cities and county agencies, building a network to encourage peer sharing, learning and aligned action.

Up to $250,000 in Fuse Corps fellowship program and host Executive Fellows in Stanislaus County workforce and economic development departments to support system alignment with inclusive growth objectives of Stanislaus 2030.

25 Parilla, Donahue, and Martinez, Institutionalizing inclusive growth: Rewiring systems to rebuild local economies, Brookings Institution, 2022
26 Humes, Zuluaga, Hanna, Gormley, Learning from city leaders: building inclusive economies, Center for Public Impact, 2021: https://www.centreforpublicimpact.org/insights/learning-from-city-leaders-building-inclusive-economies

WHAT'S NEXT FOR STANISLAUS 2030

Stanislaus 2030, in an intensive 10-month sprint, produced more than this investment blueprint; it changed the way we think about our economy, educated us on our wage thresholds and the true drivers of economic resilience, and widened our definition of success beyond employment rates to multiple metrics for economic vibrancy.

But if Stanislaus 2030 is to be successful in the long-term, it will require prioritization and ongoing partnership among local government, higher education institutions, private business and civic leaders. We must learn to meaningfully engage more community members. We must step into hard conversations about who is left at the margins of our economy and why. And, we must build long term accountability for the business plans activated as a result of this Investment Blueprint.

STANISLAUS 2030

Alignment Across Institutions & Initiatives

Meaningful alignment among our local institutions and systems is paramount to the success of all strategies within this blueprint. The main impediment to our community's long-term success is the fragmentation and often competing interests of various actors in our region. In order for us to make transformational change at the whole population level, versus discrete outcomes for a small group, we must develop mutually reinforcing strategies among local government, higher education, local industry and within our social services. This can look like:

- Alignment of organizational strategic plans around the priority focus areas within the Stanislaus 2030 Blueprint
- Utilizing the Market Assessment and data book to inform organizational strategic planning and funding decisions
- Building multi-stakeholder collaboratives that focus on issue areas
- Connecting funding to do 'double duty' and extend to more clients/local community members

Advancing Equitable Outcomes

While COVID-19 disrupted the lives of every community member in Stanislaus county, the socio-economic impacts of the pandemic were unevenly experienced. Stanislaus and neighboring counties consistently ranked high in transmission rates throughout the pandemic due to several variables, including the large number of essential workers that reside in our community. Our essential workers, largely people of color, were most impacted by the ravages of COVID both from a public health standpoint as well as economically. And yet these were often the same individuals and families that faced multiple barriers to accessing supportive services. This was also the case with our small business community, and particularly Latino-owned entrepreneurs that may not have had traditional banking relationships to readily access public relief funds. Local government leaders pivoted to address these gaps during the pandemic, which was admirable. And yet, a sustained, consistent focus on understanding and removing demographic barriers to education, training and quality jobs must be specifically addressed in future activation plans resulting from this Investment Blueprint.

Business Plans

The driving force for Stanislaus 2030's vision and mission was to arrive at a concrete set of strategies that can be operationalized by local partners, to make the 'case for investment' in Stanislaus County. The strategies and community solutions listed in this Investment Blueprint must now be activated through the creation of business plans. Public and private funds must be secured to ensure that these business plans move forward; technical consultants can be tapped where appropriate; and collaboratives must organize, with support, to advance collective action.

Community Engagement

Throughout the Stanislaus 2030 process, we engaged with community members to understand their experiences in our local economy. In addition to participating in focus groups, community members were asked to join workgroups to further dive into the strategic focus areas and provide solutions that made tangible sense. A community survey was conducted in the last month of Stanislaus 2030 to get another real-time sense of the goals, aspirations and challenges local community members face. Not surprisingly, many community members feel disconnected from the systems that seek to support them. As we move forward with seeking funding for all aspects of this investment blueprint, the following must be considered:

- Facilitating community conversations and active participation in all business plans operationalized from this Investment Blueprint
- Creating leadership opportunities for community members in the programs that result from business plans
- Creating and sharing metrics for each program, disaggregated by race, gender and other demographic data points

Accountability

This is not a report that is 'going to collect dust on a shelf.' Stanislaus 2030 was conceived as an organizing initiative that had an urgent, laser focus on understanding and uplifting the concrete strategies that will bolster a robust economy well into the future.

To achieve this scale of transformation, a group of local leaders from multiple sectors across our community will be invited to serve at the helm of an intermediary team that drives distributed implementation across all strategies. This small team will provide support to multiple partners responsible for the Investment Blueprint strategies. This effort will be incubated, for a period of time, at Stanislaus Community Foundation, with support from Stanislaus County and others.

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Indicates Workgroup Champion

STANISLAUS 2030

The full market assessment, data book, community insights report and other supplementary information can be found on our website, Stanislaus2030.com.

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