

TRAINING AND EMPLOYMENT NOTICE	NO. 15-07
	DATE October 16, 2007

TO: All STATE WORKFORCE AGENCIES
All STATE WORKFORCE LIAISONS
All STATE AND LOCAL WORKFORCE INVESTMENT BOARDS

FROM: EMILY STOVER DeROCCO /s/
Assistant Secretary
Employment and Training Administration

SUBJECT: Announcement of the launch of the National Fund for Workforce Solutions

- 1. Purpose.** To inform the workforce investment system of the launch of the National Fund for Workforce Solutions (NFWS), an initiative that will provide learning and funding opportunities relevant to the workforce investment system. This initiative is funded by the Annie E. Casey, Ford, Hitachi, and Harry and Jeanette Weinberg Foundations in collaboration with the United States Department of Labor, Employment and Training Administration.
- 2. Background.** The NFWS is a \$50 million funding collaborative that aims to strengthen and expand workforce partnerships over five years. The Council on Foundations, Jobs for the Future, and The United Way of America are national strategic partners that will assist in raising awareness of the NFWS, implementation of the initiative, and development of new sites.

The NFWS has three primary goals:

- Create new opportunities for low-wage workers to obtain better paying jobs and careers through education and training;
- Meet employers' critical needs for skilled workers by improving their ability to attract, retain, and advance employees; and
- Expand resources and improve the efficiency of the workforce investment system, including engaging employers in the effective design of workforce partnership services and shaping state and regional alignment of workforce policy and programs.

The NFWS will strengthen and expand workforce partnerships by investing in regional and rural funding collaboratives, providing technical assistance,

conducting research and evaluation, and disseminating promising practices. Through investments in regional and rural funding collaboratives, the NFWS expects to place and/or advance at least 50,000 people in career-oriented jobs, leverage more than \$200 million in local funding, and provide services to at least 1,000 employers to help them recruit, train, and advance new and incumbent workers.

- 3. Funding Collaboratives.** Funding collaboratives affiliated with the NFWS are organized groups of funders that have pooled their resources to foster the formation and expansion of sectoral workforce partnerships. Collaboratives are comprised of foundations, the public workforce system, and other regional partners. In addition to the funds that they provide to different organizations, collaboratives also help align civic leadership around a common vision for the community.

Funding collaboratives align investments through various structures such as:

- **Blended Funding** – The blended funding method may be used by funders that have formed a steering committee focused on a common strategic vision. Each funder makes an investment in the overall initiative. As a group, the funders allocate the investments to grants, research, management, evaluation, or other activities. The collaborative is responsible for tracking any restrictions that may apply to the various sources of funds.
- **Aligned Funding** – The aligned funding method may be used by collaboratives that are loosely organized and do not jointly make grants. These funders may meet as an informal steering committee to discuss the region’s workforce development needs and determine how each member can contribute to achieving a shared vision, while avoiding duplication of efforts. Each funder implements their own grant-making process and provides grants to workforce intermediaries.
- **Public/Private Co-investment** – Public/Private funding collaboratives, which include funders from the philanthropic and public sectors, can be organized in several ways. These collaboratives may be managed by the philanthropic or the public sector partners, or may use the aligned funding method. Additionally, the funders may choose to award grants to a third party, such as a non-profit organization, to manage the funds and award sub-grants to organizations in accordance with the guidelines developed by the collaborative. Alternatively, the philanthropic members of the collaborative may make grants to a public entity, such as a

Workforce Investment Board, to expand the reach and flexibility of public-sector grants.

4. **Sectoral Workforce Partnerships.** The NFWS builds on the sectoral workforce partnership model. Sectoral workforce partnerships function as intermediaries that organize key stakeholders and resources to meet the talent demands of employers within defined industry sectors, and to help workers advance their careers by:
 - Organizing resources from multiple institutions and funding streams to support and sustain workforce development services;
 - Enhancing the competitiveness of regional economies;
 - Meeting the talent demands of businesses and industries of significance to the regional economy, resulting in reduced turnover, increased productivity, and increased internal worker advancement;
 - Providing or brokering education, training, asset development, and support services to help job seekers and incumbent workers, including low-skilled, low-wage workers, gain access to economic opportunities and career advancement; and
 - Catalyzing innovative approaches to talent development.

5. **Current Participants.** The following collaboratives are currently participating in the NFWS:
 - SkillWorks: Partners for a Productive Workforce (Boston, Massachusetts)
 - The Bay Area Workforce Funding Collaborative (San Francisco, California)
 - Job Ready Pennsylvania (Pennsylvania)
 - Skill Up Rhode Island (Rhode Island)
 - The Baltimore Workforce Collaborative (Baltimore, Maryland)
 - The New York Workforce Innovation Fund (New York City, New York)
 - The Partnership for New Communities/Opportunity Chicago (Chicago, Illinois)

- San Diego Workforce Funders Collaborative (San Diego, California)
 - Los Angeles Workforce Funder Collaborative (Los Angeles, California)
 - The Greater Washington Workforce Development Collaborative (Washington, D.C.)
6. **Funding Opportunities.** The NFWS will invest \$50 million in 30 or more regional and rural collaboratives across the country between 2007 and 2011. Grantees must meet criteria outlined in future competitive solicitations, including the following:
- Establishment of an organized funding collaborative that has a defined funding mechanism, decision-making process, and a method for identifying funding priorities and supporting the core functions of workforce partnerships. The funding collaborative should have clearly identified members that have demonstrated leadership within the region.
 - Development of a stakeholder consultation group or process that engages leaders from foundations, businesses, educational institutions, workforce development organizations, and the population to be served. (Collaboratives must have strong and committed employer engagement in the form of funding, leadership, and/or active involvement in sectoral workforce partnerships supported by the collaborative.)
 - Demonstration of significant investment from local funders. (At least 80 percent of funding should come from the local funding collaborative comprised of private, corporate, and community foundations, and employers through industry-based organizations, corporate contributions, or funding derived from payments for services. Additionally, local funding sources may include aligned grants from public sources to strengthen and expand workforce partnerships.)
 - Articulation of the challenges and opportunities in the regional labor market and of the strategies for improving outcomes for workers and employers.
 - Articulation of strategies for systemic improvements through civic leadership and planned grant making.
 - Establishment of workforce partnerships comprised of employers and organizations that have the expertise and capacity to address the hiring,

retention, and advancement challenges of low-skilled individuals and their employers.

- Availability of regional technical assistance and research partners to provide technical assistance to strengthen workforce partnerships and other grantees, as well as to the regional collaborative.

Funding opportunities will be listed on the NFWS Web site at www.nfwsolutions.org.

7. **Action Requested.** State Workforce Agencies and local Workforce Investment Boards are encouraged to support regional and rural funding collaboratives, partner with the workforce investment system, and link to the NFWS.
8. **Inquiries.** To ask questions or discuss the NFWS, please contact your ETA Regional Administrator. Additional information can be found at the NFWS Web site.