

Utah Cluster Acceleration Partnership 2010-2011 Projects

One of the most innovative economic development programs in Utah is the Utah Cluster Acceleration Partnership (UCAP) initiative. Over the past year the initiative has been helpful in aligning the activities of university and college campuses with the economic needs of the state through three pilot projects. The three pilot projects were aerospace (convened by Weber State University), energy (convened by Salt Lake Community College), and digital media (convened by Utah Valley University). These three pilot projects were instrumental in developing the UCAP model, which is designed to be replicated and is now ready to be rolled out for the second year of funding and implementation.

The Oversight Committee¹ has targeted four new UCAP projects for the fiscal year 2010-11. It is proposed that these projects be convened by four institutions within the Utah System of Higher Education (USHE): Southern Utah University (SUU), Dixie State College (DSC), Snow College (SC), and Utah State University-College of Eastern Utah (USU-CEU). The focus of these projects will be determined according to the process prescribed in the UCAP model.

The Oversight Committee encourages the presidents of these four institutions to engage in the UCAP model's "pre-phase" stewardship audit to identify the focus of their respective project. \$15,000 has been transferred to the four convening institutions to fund the pre-phase stewardship audit, which will help identify the ideal relationship between each institution and its regional stakeholders that will best fulfill the purpose of the UCAP initiative—to align higher education resources and expertise with regional business and talent-force needs, to take advantage of entrepreneurial opportunities, and to grow jobs and wages in the region.

The remainder of this document is divided into three general sections, the first of which is a brief background to the UCAP initiative. This section also clarifies what a cluster is and how the UCAP initiative is a complementary program to USTAR. The second section provides a brief overview and description of the UCAP model identifying the different phases of a project and the role of a convening institution and facilitator. The final section provides a general accounting of the 2010-11 UCAP budget per project.

Background

The Department of Workforce Services (DWS), the Governor's Office of Economic Development (GOED), and the Utah System of Higher Education (USHE) share the following two objectives: 1) to assist Utah citizens obtaining quality employment, and 2) to support employers in high-growth, high-wage industries. Building upon this common ground, these three state agencies have come together to establish the Utah Cluster Acceleration Partnership (UCAP) initiative. Partnered with industry leaders from targeted economic clusters, the UCAP initiative leverages and aligns industry resources to accelerate the development of targeted industry clusters across the state.

¹ The Oversight Committee is comprised of Commissioner Bill Sederburg of the Utah System of Higher Education (USHE), Executive Director Kristen Cox of the Department of Workforce Services (DWS), and Executive Director Spencer Eccles of the Governor's Office of Economic Development (GOED).

In his January 26, 2010 State of the State Address, Governor Gary R. Herbert identified his top priorities for the state—the top two being economic development and education. He also identified the UCAP initiative as “a way for critical industry groups to communicate their current and future workforce needs to our educational institutions;” thus, aligning his top two priorities. He continued, “The Utah Cluster Acceleration Partnership is a true collaboration—with leaders from industry, state government, higher education and our research community—all working together to significantly increase the economic impact of our most important industry clusters.” The UCAP initiative, therefore, is designed to address the top two priorities of Governor Herbert—economic development and education.

Industry Clusters

A cluster is a specific industry sector in which the aggregated size and number of businesses and jobs are large enough or potentially large enough to significantly influence the regional or state economies. Many clusters have concentrated in one or more geographical region of the state and to some extent naturally align with the various higher education campuses across the state.

A Compliment to USTAR

The Utah Science, Technology, and Research (USTAR) initiative is also a valued partner in the UCAP initiative. The UCAP initiative is the natural counterpart of USTAR. Whereas USTAR focuses on research of discovery and developing new technologies to transfer into the marketplace, the UCAP initiative focuses on applied research that accelerates businesses already in the marketplace. The primary USHE partners for the UCAP initiative are accordingly the regional state universities and community colleges. Nonetheless, the intent of the UCAP initiative is to leverage all higher education resources and expertise from within Utah—public and private institutions alike—to expand economic prosperity.

UCAP Model

The UCAP initiative is designed to address the need of key industry clusters for talent and innovation support. The UCAP initiative produces cutting-edge, innovative projects which will accelerate the growth of these industries.

An Oversight Committee governs the direction of the UCAP initiative and consists of the heads of DWS, GOED, and USHE. Under the Oversight Committee’s direction the initial three pilot projects successfully created a principle-based UCAP model. The principles render the model easily replicable by other institutions which need to adapt to the nuances of a specific industry cluster or region of the state. Organizational templates and group worksheets have been developed in conjunction with the pilot projects.

These UCAP resources, born of experience, will help future convening institutions launch and sustain the outcomes of future UCAP projects. Thus, the model aligns higher education resources and expertise with regional business and talent-force needs to take advantage of entrepreneurial opportunities. Each UCAP project focuses on different clusters, sectors, and regions of the state’s economy.

Initiative Phases

There are four basic phases to the UCAP model with one pre-phase. While the pre-phase is optional, it is encouraged. The following is a brief description of each phase. These descriptions are used as criteria to evaluate a proposal by the Oversight Committee.

- Pre-Phase – Demonstrate a working relationship between the convening USHE institution and targeted regional stakeholders. Absent of this relationship, the USHE institution (under the direction of its president) conducts a stewardship audit to fortify working relationships between the institution and its stakeholders. The stewardship audit should build the USHE institution’s network of services, increase capability of meeting regional needs, and identify a specific UCAP projects to launch and sustain.
- Phase I – A strategic assessment and analysis of the industry cluster’s short- and long-term needs for talent and innovation support (includes a current gap analysis).
- Phase II – An acceleration strategy designed to meet the industry cluster’s needs and address the identified gaps.
- Phase III – An implementation plan to take action (includes replication strategy).
- Phase IV – Proposed outcome; describe the tools and data to evaluate and measure outcomes; e.g., potential occupation wages, projected openings per year, projected occupational growth (DWS is a resource for this data).

Grant funding for each UCAP project is approved by the Oversight Committee according to a project proposal. Project proposals outline the scope of work and funding needs for each phase. Upon receiving phase I funding, recipients have four to five months to produce an assessment of the industry clusters and a strategic plan. Funding for phases III and IV is contingent upon the Oversight Committee approval of the industry cluster assessment and the strategic plan.

Stewardship Audit

The only UCAP pilot project convening institution that engaged in the pre-phase stewardship audit was UVU. The outcome of the UVU stewardship audit was the creation of an institutional Business Engagement Strategy which now directs how the institution best leverages its resources and capacity to expand the regional economic base and drive the future development of the regional economy. UVU’s president oversaw the establishment of a Business Engagement Strategy Committee which was comprised of select business and industry representatives from across Utah and Wasatch counties. This committee identified strategic initiatives that helped guide UVU in its UCAP project as well as the prioritization of institutional resources. A copy of the UVU Business Engagement Strategy document is attached.

Given the benefit UVU gained in identifying areas of greatest opportunity and priority through its stewardship audit, the remaining USHE institutions will be encouraged to follow the UCAP pre-phase protocol prior to launching a UCAP project.

Convening Institutions

USHE institutions offer several benefits to assist these clusters to achieve a new level of success. Given the long-term nature of university and college planning and their unique position as “neutral ground,” higher education institutions can naturally play the role of “convener” for each UCAP project. The leadership of the university or college president is of particular import. He or she has the public influence and power to convene—to bring the necessary parties together, to set the expectations of each project, to align the resources of higher education (including the leverage of resources and expertise from other higher education institutions), and ensure appropriate measures of accountability and sustainability of each project. USHE institutions provide the essential role of administrating, presiding, and coordinating the UCAP projects.

A primary purpose of the UCAP initiative is to deliberately engage Utah’s regional state universities and community colleges. These institutions serve as economic engines that develop the talent-force to meet the regional employment and training needs. Additionally, these institutions act as economic hubs of entrepreneurial activity. These centers of learning generate a byproduct of ideas and businesses that contribute to the state’s regional economies. Thus, the regional state universities and community colleges are targeted as the convening institutions for the UCAP projects, but they are also charged with engaging all relevant resources of the Utah System of Higher Education.

Facilitation

Central to the UCAP model is the function of facilitator. The facilitator plays the key role in leading the discussion and identifying cluster opportunities, managing the logistical affairs of meetings and deadlines, recording decisions and assignments, and reporting outcomes for accountability. The facilitation services for each UCAP project is to be publically bided according to each institutions’ purchasing policies and procedures. The UCAP model organizational templates and group worksheets will be made available to the selected facilitator and coordinated through the office of Economic Development and Planning within the Commissioner’s Office.

2010-11 UCAP Project Funding and Budget

A total of \$560,000 has been budgeted for the UCAP initiative for fiscal year 2010-11 (DWS has budgeted \$500,000 and USHE \$60,000). Four new UCAP projects have been targeted for the fiscal year 2010-11. These projects will be convened by four USHE institutions: Southern Utah University (SUU), Dixie State College (DSC), Snow College (SC), and Utah State University-College of Eastern Utah (USU-CEU).

The amount budgeted for these four projects is less than the amount for the three pilot projects. There is good reason for this adjustment. Specifically, there were startup costs associated with organizing and building the UCAP model and its organizational templates, group worksheets, and communication processes. Therefore, confidence is high that within the allocated budget (per project) the purposes of the UCAP initiative can be fulfilled.

However, a proposal has been submitted to the Governor to increase the UCAP initiative funding for the fiscal year 2010-11 by \$500,000 (to be transferred from DWS). If this proposal for additional

funding is approved, there may be more funds available for existing UCAP projects pending a specific need. Nonetheless, the main purpose of the additional funding proposal is to increase the number of UCAP projects, assist the Utah Technology Council with its “BioVision” cluster acceleration project², and negate the request for funding during the upcoming fiscal year 2010-11 legislative session.

Current Estimated 2010-11 UCAP Budget

The following is an estimated budget for each of the 2010-11 UCAP projects to be convened by SUU, DSC, SC, and USU-CEU.

Pre-phase:	\$15,000
Phase I:	\$21,000
Phase II:	\$42,000
Phase III-IV:	<u>\$62,000</u>
<i>Total</i>	<i>\$140,000</i>

Funding for UCAP projects is typically allocated in three installments: 1) the pre-phase stewardship audit, 2) phases I and II, and 3) phases III and IV. Prior to the disbursement of funds for second and third installments, the institution’s president prepares a UCAP project proposal and presents it to the Oversight Committee. Funding for the pre-phase stewardship audit is coordinated through the Office of the Commissioner for Higher Education (OCHE) in behalf of USHE.

Questions

Questions regarding the UCAP initiative or this proposal should be directed to:

Cameron Martin
Associate Commissioner for Economic Development and Planning
Utah System of Higher Education
(w) 801-321-7111
cmartin@utahsbr.edu

² The UTC “BioVision” cluster acceleration project uses the UCAP model and will report to the Oversight Committee for any funds appropriated to the project.