



FORWARD
SIOUX  FALLS
2011-2016



SIOUX FALLS AREA STRATEGIC WORKFORCE ACTION AGENDA

Submitted by *Market Street Services, Inc.*
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OVERVIEW

Implementation of the 2009 Future Sioux Falls community and economic development strategic plan has led to a number of accomplishments, many of which have contributed to the Sioux Falls Area appearing at the top of national rankings and earning accolades and recognition throughout the Great Recession and its aftermath. A robust economy and the completion of several key efforts – including the Sioux Falls Tomorrow III report, the 2025 Downtown Plan, and the Cultural Plan Update – provide significant momentum for taking the region to the next level.

Recent efforts at the state-level that have begun to look more closely at workforce opportunities and challenges provide a strong foundation of knowledge that can inform the strategic efforts of regional leaders in the Sioux Falls Area. Ultimately, the question that repeatedly rises to the top of discussions is, “How can we best develop our workforce to ensure that we are fully prepared for the opportunities to come?”

To answer this question and take stock of the region’s overall progress, Forward Sioux Falls leadership has engaged *Market Street Services* to facilitate a talent-focused planning process that leverages recent and existing studies and initiatives and is led by a Task Force that includes business, government, and education leaders, as well as key volunteers from the Sioux Falls Development Foundation and the Sioux Falls Area Chamber of Commerce.

This process has assessed where the region is now in terms of its competitive position; provided an in-depth understanding of both education and training needs and the sustainability of the workforce; and is resulting in the development of strategic actions that focus specifically on workforce and training needs.

PHASE 1: PROJECT INITIATION AND STAKEHOLDER INPUT

The six-month process began with a familiarization tour of the region for the *Market Street* team and a series of focus group and interview sessions. An online survey was developed to ensure that all key voices were heard. Input session participants provided feedback about a broad array of competitive issues and also drilled down on issues related to short and long-term workforce needs and opportunities.

PHASE 2: COMPETITIVE ASSESSMENT

The report provided an analysis of the Sioux Falls Area’s competitive dynamics to assess how the region is performing compared to peer and aspirational communities and also evaluated the Sioux Falls Area compared to its performance in years past. Five “scorecards” were used to rank the region’s performance using a wide variety of data indicators.

PHASE 3: WORKFORCE SUSTAINABILITY ANALYSIS

The Analysis took the Workforce Competitiveness scorecard from Phase 2 a step further by adding a detailed analysis of how well the region is positioned to take advantage of future economic opportunities while also filling immediate workforce needs. The Analysis was conducted through the lens of the region's existing target sectors and incorporated ten-year projection-based data. Feedback received from employers and training providers was reviewed and incorporated alongside quantitative data.

PHASE 4: STRATEGIC WORKFORCE ACTION AGENDA AND IMPLEMENTATION GUIDELINES

This Strategic Workforce Action Agenda builds on the findings from the first three phases. Proposed strategies focus on immediate, mid-term, and long-term needs and opportunities. Once the Action Agenda is approved, **Implementation Guidelines** will be developed that address how the Action Agenda can be operationalized.

TASK FORCE

The Strategic Workforce Action Agenda Task Force has been critical to the success of this initiative, shaping the strategy through various feedback channels and meeting sessions. Representing a broad group of community leaders from the public and private sectors, the group was responsible for reviewing project deliverables, providing feedback, and participating in discussions about the future direction of the Sioux Falls Area's talent development processes.

The following individuals served on the Task Force:

Co-Chairs

Greg	Carmon	Midwest Railcar
Rob	Oliver	Augustana College
Kent	Alberty	Sioux Falls School Board
Julie	Burke-Bowen	City of Harrisburg
Dana	Dykhouse	First PREMIER Bank
Paul	Hanson	Sanford USD Medical Center
Stephanie	Herseth-Sandlin	Raven Industries
Dean	Karsky	Sioux Falls City Council
Scott	Lawrence	Lawrence & Schiller
Bill	McLean	Avera Health
Andy	Patterson	Sioux Falls Area Community Foundation
Scott	Reed	Smithfield Foods
Dave	Rozenboom	First PREMIER Bank
Mark	Shlanta	SDN Communications
Darrin	Smith	City of Sioux Falls
Steve	Van Buskirk	Van Buskirk Companies

Market Street would like to recognize and thank the following staff: Sioux Falls Development Foundation, **Slater Barr**, President, **Mary Medema**, Director of Workforce Development, the Sioux Falls Area Chamber of Commerce, **Evan Nolte**, President and CEO, and Forward Sioux Falls, **Carolyn Winchell**, Director of Investor Relations. Their support, guidance, and insight during the strategic planning process were essential to the effective development of the Action Agenda.

INTRODUCTION

The Sioux Falls Area Strategic Workforce Action Agenda process has shed light on recent trends, current challenges, and future issues and opportunities. While greater Sioux Falls continues to experience population and economic growth above and beyond state and national averages, warning signs have surfaced that this growth may not be sustainable unless certain actions are undertaken to enhance the region's workforce availability and skills mix. Certainly, nearly every U.S. community of size is experiencing some type of talent shortage or misalignment between job creation and training output; even talent-rich metros like Austin, Texas have not been immune to deficits in key occupational categories. However, reported talent constraints and labor scarcities in the Sioux Falls Area are reaching crisis-level proportions.

Research was conducted quantitatively through analysis of multiple economic and demographic trends and qualitatively through a number of in-person engagements with interviewees and focus group participants and also an online survey delivered to targeted stakeholders in the economic and workforce development community. These findings directly informed the development of the proposed Strategic Workforce Action Agenda and are reported below.

Research Findings

COMPETITIVE ASSESSMENT

The Assessment compared current Sioux Falls Area trends against nine top competitor regions across the Midwest. These benchmarks represented very strong and high capacity communities which set the bar high for greater Sioux Falls' performance. The regions included: Boise City-Nampa, ID MSA; Cedar Rapids, IA MSA; Des Moines-West Des Moines, IA MSA; Fargo, ND-MN MSA; Fort Collins, CO MSA; Lincoln, NE MSA; Madison, WI; Omaha-Council Bluffs, NE-IA MSA; and Rochester, MN MSA. Because the comparison areas were so strong, Sioux Falls Area trends that may have compared well against state and national averages appeared less competitive in this report. Current Sioux Falls quantitative values were also compared against regional data developed during the Future Sioux Falls strategic process in 2009. Principal findings included:

Economic Performance

- ✓ The Sioux Falls MSA's aggregate ranking across all indicators placed it second among the comparison regions; this is a very strong result.
- ✓ Five-year growth rates and current unemployment rates were strengths, while the MSA's one-year growth rate was average.
- ✓ Greater Sioux Falls' exports per worker and exports as a percentage of overall economic output were in the bottom performance tier, though gross metro product per worker was second among the competitors.

- ✓ The Sioux Falls MSA finished strongest for indicators in the Wages, Income, and Poverty category; other than average annual wage (8th), the metro finished in the upper third of the comparison regions for all indicators, including wage increase, per capita income rate and change, and measures of total and child poverty.

Workforce Capacity

- ✓ As with Economic Performance, the Sioux Falls MSA's aggregate ranking for these indicators was second among the comparison areas.
- ✓ Though the five-year population growth rate in the Sioux Falls region was 8th among competitors – a notable change from 2009 Future Sioux Falls findings – the region has nevertheless grown its labor force competitively and continued to attract in-migrants competitively, especially those with higher educational attainment.
- ✓ Metro Sioux Falls' age composition dynamics are strong, with its dependency ratio and percentage of workers age 55+ criteria finishing third among competitors; the Workforce Sustainability Analysis will delve further into these age-related labor force indicators.
- ✓ Educational attainment data and trends for the Sioux Falls MSA were mixed; the region ranked low for the percentage of the population enrolled in college (not a surprise considering the lack of a four-year campus) and the adult population with a bachelor's degree or higher (a key concern), but demonstrated very positive growth trends in the number of residents attaining associates and bachelor's degrees and above.

Innovation and Entrepreneurship

- ✓ The Sioux Falls MSA ranked in the bottom tier of competitors for Innovation and Entrepreneurship indicators, finishing seventh.
- ✓ The principal category that dragged down the region's aggregate ranking was Research and Development Activity, where metro Sioux Falls finished eighth or ninth for most indicators, save for high-tech startup density (#2 ranking); this is not a surprise given the lack of a major research university in the region, an active technology economy, or multiple corporations with a major research presence.
- ✓ Results were mixed for Startup, Small Business, and Self-Employed indicators, where the Sioux Falls Area ranked highly in startup activity change and measures of sole-proprietor income, but lower for the total percentage of the self-employed in the regional economy.
- ✓ Capital Environment indicators were more competitive for greater Sioux Falls, especially the number and recent change in small business loans per 1,000 establishments.

Business Environment

- ✓ The Sioux Falls MSA finished strongly in its aggregate ranking for Business Environment, coming in third amongst the competitor metros.

- ✓ A notable positive for greater Sioux Falls is its high rankings for air passenger indicators, an area of concern in 2009; however, the region finished lower for air freight and public transit capacity and in the middle tier for railroad assets.
- ✓ Business Costs were a great area of strength for metro Sioux Falls, with the region ranking highly across the board for electricity and rental costs in all categories.
- ✓ The total tax index in the Sioux Falls Area was competitive; less so were state level indicators related to business and jobs outcomes and policy.

Quality of Life and Place

- ✓ The Sioux Falls MSA's aggregate ranking for Quality of Life and Place indicators was seventh, an indication of the divergence between quantitative and qualitative attitudes about the region, which are nearly universally positive.
- ✓ Principally, what lowered the metro Sioux Falls' overall rankings were crime rates; the region finished near the bottom in both current rates of violent and property crime and five-year trends.
- ✓ Greater Sioux Falls finished well for commute times but last for the rate of commuters who do not drive alone to work.
- ✓ The Sioux Falls' areas rankings were mixed for Affordability and Cost of Living, in which house prices were average and cost of living rather high, but the percentage of renters who spend more than 30 percent of their income on rent was lowest among the comparison regions.
- ✓ Health rankings for metro Sioux Falls were mixed, with the region's best performance coming in the percentage of adults who reported being overweight.
- ✓ Among Recreation and Volunteerism rankings, the Sioux Falls MSA finished well for its capacity of recreation and fitness facilities but lower for downtown Walk Score and charitable revenue per capita.

WORKFORCE SUSTAINABILITY ANALYSIS

The Analysis took a comprehensive look at multiple components of the Sioux Falls Area's workforce capacity, including age and educational attainment dynamics, migration, and other categories, and married it with a detailed analysis of the region's economic and occupational structures and trends, including sector-by-sector analysis. Education and training issues and outputs were incorporated into the analysis to determine the overall sustainability of the greater Sioux Falls workforce both overall and for key sectors and occupations. Results included the following.

- ✓ An extremely tight labor market is causing thousands of positions to remain unfilled, many of them in lower-skill, lower-paying occupations.
- ✓ Fewer employment opportunities at the higher end of the skills spectrum have left many workers in situations where they are "underemployed" for their current positions.
- ✓ The majority of job openings for positions are on the lower end of the skills spectrum and pay scale.

- ✓ A long-held bias against career and technical education and skilled trades positions has created a surplus of training slots in certificate and two-year degree programs.
- ✓ A program like Build Dakota is evidence that awareness of the need for technical education and trades workers has reached a critical mass.
- ✓ At the K-12 level, an increasingly low-income population with a growing percentage of limited-English-proficiency students challenges educators to effectively present career opportunities to these youth and train them for college and the workplace.
- ✓ At the two-year level, the state's lack of a community college system has resulted in a structural disconnect between technical institutes and four-year colleges that limits credit transferability and often drives students outside South Dakota to finish their degrees.
- ✓ At the four-year level, a lack of a stand-alone four-year public university campus reduces the Sioux Falls region's capacity to produce graduates in fields requiring a bachelor's degree or higher.
- ✓ Challenges the University Center faces from competition with private online colleges and the state's main four-year public campuses put the Center's programs in peril of decline or discontinuance.
- ✓ Attempts to attract more "traditional" students will be difficult but necessary if the UC is to optimize its impact on the local training pipeline.

ACTION AGENDA

As was noted in the Introduction, challenges related to talent availability are affecting nearly every U.S. region of size in 2015. Polarized post-recession employment growth at the “high” and “low” ends of the skills spectrum have resulted in talent shortages for technically-focused, high-paying jobs in information technology, engineering, software design, systems management, and other categories typically requiring at least a four-year college degree. Similarly, tremendous growth in lower-paying service sectors including retail, hospitality, construction, and other entry-level opportunities has led retailers like Wal-Mart to voluntarily raise base wages in anticipation of greater competition for workers. Labor force deficits for middle-skill jobs in health care and advanced manufacturing must not be ignored, but are less impacted than polarized high and low-skill sectors.

What this means for greater Sioux Falls is the region is not alone in experiencing impacted workforce capacity, but also that the competition for qualified job candidates is more intense than at almost any time in our nation’s recent history. The Sioux Falls Area’s talent challenges will not be “solved” by effective implementation of the Strategic Workforce Action Agenda. However, purposeful, collaborative, and targeted strategies to address issues affecting the region’s workforce capacity will steadily enhance the availability of qualified labor and support sustainable growth in Sioux Falls Area businesses.

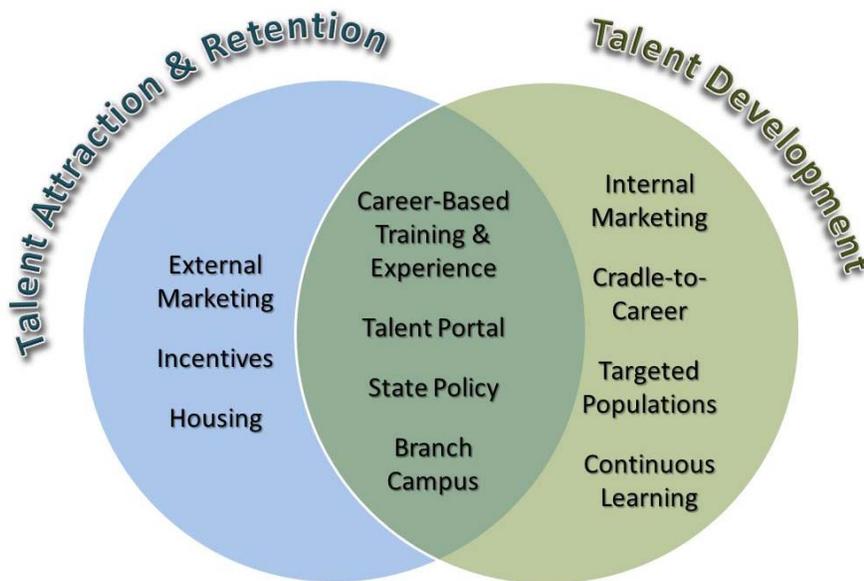
Nor will there be a “magic bullet” strategy that successfully alleviates most or all of the region’s workforce constraints. It will take multiple efforts developed and implemented collaboratively by numerous Sioux Falls Area partners to make headway on the region’s labor force availability issues. New partnerships will be needed, new programs launched, and new perspectives necessary to funnel more talent into occupations of need at all levels of the skill and wage spectrum. While some issues can only be resolved at the state level, others are attainable through local and regional action and investment.

Above all, this Action Agenda process acknowledges that economic development in the Sioux Falls Area will only be as effective as the region’s ability to train qualified workers for jobs being retained and created. The alternative is continued risk that the region’s growth momentum will be stunted or reversed.

The Sioux Falls Area Strategic Workforce Action Agenda is structured according to two principal **Goal Areas** and associated **Strategic Focus Areas** that combine to position the region for success in education and training capacity and performance. There is also a **set of focus areas that are shared** by both goals. These goals and focus areas are shown in the graphic on the following page;

Note: For certain recommendations in the Action Agenda, BEST PRACTICES have been researched and identified to offer perspective on how other communities have addressed these challenges or opportunities. An action with an associated best practice is indicated by the letters “BP” noted parenthetically after the title.

ACTION AGENDA GOALS AND STRATEGIC FOCUS AREAS



As seen in the graphic, the Agenda is structured according to the predominant components contributing to the enhancement of workforce capacity and competitiveness: the attraction and retention of talent and the development of talent through a “cradle-to-career” pipeline and beyond. Underlying these two Goal Areas are Strategic Focus Areas specific to key components of each process. They are interwoven and self-sustaining – effectively addressing all key strategic elements will move the Sioux Falls Area decidedly towards its goal of having a nationally competitive, sustainable workforce for existing and future companies.

There are also Strategic Focus Areas that serve both Talent Attraction and Retention and Talent Development purposes. These are located in the center of the Venn diagram and have applications that support retaining talented local high school and college graduates, attracting skilled workers from outside greater Sioux Falls, and developing a local pipeline of qualified workers.

Research in the Workforce Sustainability Analysis showed that the Sioux Falls Area is experiencing its most impacted talent demand for occupations in skilled trades that may require less than a four-year degree. Addressing these challenges will principally be accomplished through Talent Development and Shared Focus Area efforts. This does not mean that greater Sioux Falls should forgo efforts to promote the region to external and expatriate talent. The simple fact remains that the Sioux Falls Area is not producing enough talent to meet demands across the occupational spectrum and must continue to ensure that steady streams of skilled in-migrants are attracted to fulfill high-value Sioux Falls Area employment opportunities.

All 11 Focus Areas contribute to the creation, coordination, and management of holistic strategies to differentiate the Sioux Falls Area in the marketplace for talent. Specific tactics under each Goal and Strategic Focus Area will be provided in the pages of this Action Agenda.

Key Initiatives

The following proposed actions were confirmed by the Action Agenda Task Force through group discussion and participation on an online comment survey. They represent the highest priority activities that the Action Agenda implementation team should focus on during the initial months after strategic launch. The Key Initiatives are:

- ✓ **Develop a cradle-to-career coalition in the Sioux Falls Area**
- ✓ **Design and implement a talent marketing campaign, incorporating and coordinating existing efforts**
- ✓ **Develop and optimize a comprehensive online talent portal**
- ✓ **Identify and advance priority programs to support targeted populations in the region**

These initiatives will be the principal focus of initial Action Agenda implementation and will be critical catalysts for bringing Sioux Falls Area public and private leaders and stakeholders together in new and dynamic ways to support and optimize regional talent development.

1.0 Talent Attraction and Retention

Retaining skilled talent graduating from local high schools and colleges is essential to sustaining a competitive workforce. This of course could take many forms, including directing high school graduates to skilled trades positions or two-year colleges for targeted training in key local occupations, transitioning these graduates to a four-year college or university in the Sioux Falls Area or its larger labor shed, or ensuring that students graduating from these four-year institutions remain or locate to metro Sioux Falls to live and work.

As the Sioux Falls Area's tightening labor market has shown, the region will not be able to sustain its workforce without a robust and steady infusion of diverse talent from outside the region and, increasingly, beyond the state of South Dakota to the entire Midwest. While external talent may not be attracted for many of the entry level or skilled trades occupations in demand in greater Sioux Falls, targeted attraction will nevertheless be important for specialized and hard-to-fill knowledge-based jobs being created in the Sioux Falls Area. This will likely be accomplished through implementation of multiple programs from multiple partners. But regional Sioux Falls leaders have made it clear that these efforts – whether at the local or state level – **must be coordinated and maintain a consistency of mission and message.**

Certainly, drawing talented workers from outside the region is easier said than done. As has been noted, every region in the country is looking for skilled workers, many in the same growth sectors of focus as the Sioux Falls region. So expectations for success must be realistic and acknowledge that it will take time to expand awareness of greater Sioux Falls' advantages and opportunities in targeted markets. It would be wise to focus attraction efforts – at least initially – on expatriate residents and graduates who at least have direct knowledge of the benefits afforded by the Sioux Falls Area's economy and lifestyle.

1.1 EXTERNAL MARKETING

While candidates for many of the skilled trades positions currently remaining unfilled in metro Sioux Falls will likely be sourced by talent retention and development efforts, marketing the Sioux Falls region to outside talent will be important for high-end targeted occupations facing competition from regions across the country for qualified workers. Because of this, multiple public input participants in the Sioux Falls Area's Strategic Workforce Action Agenda process feel that the region should consider marketing to external talent as aggressively as it markets to outside employment prospects. While this is not necessarily feasible, talent marketing is nevertheless a valuable investment to consider for Forward Sioux Falls, especially as the need to ensure a sustainable base of talent for targeted occupations is a top competitive issue for the region. Nor will Forward Sioux Falls be alone in resourcing and implementing a talent attraction campaign. Opportunities exist to leverage the City of Sioux Falls' recently launched talent attraction program as well as multiple state-level efforts designed to promote South Dakota to new and expatriate talent.

1.1.1 Leverage and coordinate state and local programs

The Sioux Falls Area should strive to **maintain a consistency of message** related to its talent attraction campaigns. Multiple narratives, formats, themes, and designs in online and print media and placements in

external markets could be confusing for viewers and actually dilute the impact of each separate initiative. While there is less potential for confusion with state-level marketing, it will nevertheless be important that **local, regional, and state-initiated efforts are consistent** to the degree necessary to convey a seamless message. Currently, the State of South Dakota implements the **Dakota Roots** program targeting expatriates and has recently launched the **Build Dakota** initiative focused both on scholarships to technical institutes as well as talent marketing campaigns across South Dakota and in adjacent states. Messaging will principally be focused on skilled trades occupations. Any new talent attraction initiative developed and implemented by Forward Sioux Falls should be informed by existing efforts, leveraged effectively, and seek to coordinate messaging as effectively as possible. Meanwhile, the City of Sioux Falls' campaign is focused on billboards and kiosks and directs viewers to visit the **SiouxFallsHasJobs.com** website. While ads were placed initially in greater Sioux Falls, plans are to potentially expand the campaign to Minneapolis, Des Moines, and Omaha.



Dakota Roots Online Ad

1.1.2 Develop new capacity

Principally, a **new talent attraction campaign** from Forward Sioux Falls should seek to fill gaps in existing initiatives and enhance efforts through complementary programming. Because the **attraction of Sioux Falls Area expatriates** will provide greater value than individuals with no history in the region, Forward Sioux Falls should devote the largest share of its resources towards targeting this constituency. The Sioux Falls Area effort should be informed by other regional organizations that have effectively garnered the attention of expatriates by, 1) working with local high schools, colleges, and universities to leverage alumni lists for targeted communications to expats, 2) connecting interested expats with job opportunities in the region, and 3) hosting informational events in markets with large concentrations of former regional residents. Talent "prospects" showing interest in returning should be treated just like employment prospects, with staff managing communications and networking of prospect talent with local firms in their desired areas of employment.

Forward Sioux Falls should also work with the City of Sioux Falls to leverage and **complement the "Sioux Falls Has Jobs" campaign** with messages and information promoting the full regional Sioux Falls market and employment base. This might entail simply adding new employment openings to the website or creating billboards in the same style and design as the city's versions but featuring leaders from outside Sioux Falls proper. Forward Sioux Falls should contribute



City of Sioux Falls Talent Attraction Ad

resources to support the expansion of the campaign to high-value external markets. These should be decided based on research into incumbent talent bases of prospect markets and skills concentrations that match the needs of Sioux Falls Area employers.

Finally, Forward Sioux Falls should direct a component of its **annual public relations contract** towards the seeding of media stories and attention on the region as a destination for talent. These PR efforts would be geared more towards lifestyle-focused media and publications/websites targeted to young professional and Millennial demographics. Efforts should be coordinated as necessary with Sioux Falls Area and South Dakota focused tourism and visitation marketing.

1.2 INCENTIVES

Despite the availability of good local jobs and the salability of the Sioux Falls Area as a desirable place to live and work, regional leaders should not assume that these factors alone will be enough to retain or attract talented workers. The reality is that they can go almost anywhere they want and might find any number of other communities more suited to their preferences. Because nearly every U.S. region of size is now marketing externally to talent, for some communities **it will likely take additional incentives to be successful in the competition for the best and brightest workers**. This is especially true for a cold-weather region like greater Sioux Falls that does not have an established national reputation as a destination community. As such, the Sioux Falls Area should give serious consideration to identifying and leveraging resources to incentivize the retention and attraction of in-demand talent.

1.2.1 Assess and formalize talent incentive options (BP)

There is a **wide range of potential support** that could be provided to existing and potential talent. These include:

- Full or partial funding of training or degree-attainment to enhance worker skills
- Forgiveness programs for student-loan debt
- Relocation assistance, including paid moves, housing stipends, club memberships, and other benefits
- Assistance to find employment for "trailing spouses"
- Temporary tax abatements or deductions
- And others

In addition, because state programs like Build Dakota and Dakota Seeds already provide scholarship monies and a number of existing local companies likely offer their own talent retention and attraction incentives, it will be necessary for the implementing organization(s) to identify how they can add the most value to current efforts. Thus, **a study will be needed** to catalogue existing programs and determine the dynamics of a regional incentive program or fund and how it can derive optimal results. Based on this assessment, a **formalized program** should be developed and approved.

1.2.2 Resource, promote, and optimize talent incentives

Once consensus around a program or collection of incentive tools has been reached, it will be necessary to identify a sustainable source of funding, which entity(ies) will implement and manage the effort, and how it can be most effectively promoted and leveraged. There is also the potential to promote and/or incorporate existing efforts into the framework of the new regional talent incentives initiative to present a comprehensive recruitment package to incumbent or prospect talent.

1.3 HOUSING

The increasing lack of affordable workforce housing in the Sioux Falls Area is an issue that came up time and again in public input for this Action Agenda process, even more so than five years ago during outreach for Future Sioux Falls. Clearly, this is a situation that continues to become more challenging as the Sioux Falls region grows and more existing lower-cost housing is subsumed by development of medical facilities and other uses. Importantly, **the issue of housing affordability was cited as an impediment to talent retention and attraction** by the young professional focus group and in the context of the Sioux Falls Area's refugee and immigrant populations. Sufficient provision of multiple types of quality residential options at multiple price points is a key requirement for ensuring long-term workforce sustainability. While this issue is difficult to comprehensively address (as can be seen by affordable housing shortages in metros across the country), it nevertheless must be acknowledged as a competitive deficit and approached programmatically. In some cases, benefit could be accrued by simply creating compelling, data-supported outreach to developers to demonstrate the preference of Millennial residents for dense, urban housing types such as townhouses, lofts, and apartments.

1.3.1 Assess workforce housing needs and potential regional solutions (BP)

As with all multi-faceted and complex challenges, there will be no simple solutions to the Sioux Falls Area's workforce housing deficit. Typically, there is not a fiscal incentive to for-profit developers to create below-market-rate housing because it does not provide the returns necessary to validate the investment. That is why communities are increasingly utilizing strategies such as density-bonuses, cost-abatements through mechanisms such as tax-increment financing (TIF), and other techniques to compel developers to make a percentage of units available for buyers/renters earning less than the median local wage. The **City of Sioux Falls has worked for years to ensure that affordable housing options are being developed** and marketed. In addition to enabling ordinances in city code for high-density projects with a percentage of affordable units, of the nine approved TIF districts in the city, three were specifically for the development of affordable housing. Some communities are even leveraging tools such as community land trusts and land banks to assemble property to set aside for workforce housing. There is also the opportunity to develop and leverage **transitional housing** with on-site services for targeted



Pettigrew Heights Development (Source: City of Sioux Falls)

populations such as newly relocated refugees to greater Sioux Falls. Because there is no one-size-fits-all solution, **the Sioux Falls Area should invest the time and resources necessary to research and create a Workforce Housing Development Plan.** The geographic scope and participating entities involved in the process will need to be determined at the outset.

1.3.2 Formalize partnerships to implement the Plan

It is likely that the approved Workforce Housing Development Plan will incorporate a number of interrelated strategies involving multiple public and private partners to effectively implement. Zoning regulations may need to be amended or new public policies approved at the city and county level. Sioux Falls Area employers will need to be engaged on an ongoing basis to understand how to communicate new housing opportunities to existing workers and explain them to prospect talent. Social service providers and organizations working with greater Sioux Falls' immigrant and refugee populations will be relied upon to ensure that their clients take advantage of the program. Workforce housing properties may also become components of talent attraction and retention incentives proposed in Focus Area 1.3. Therefore, **consideration must be given to how implementation of the Plan will be administered, coordinated, funded, and enhanced** as the kinks are worked out during the initial activation period. It may also be beneficial to empanel a Regional Oversight Committee for the Plan to formalize a partnership for effective implementation.

2.0 Talent Development

Though educators at both the secondary and post-secondary levels sometimes balk at the notion that they are working to prepare “product” for the consumption of local employers in the form of skilled and qualified graduates, there can be no denying that the alignment of local training pipelines with the jobs being created in the regional economy improves not only the chances of graduates to find quality work but also the ability of companies to sustainably expand their businesses. This does not mean, of course, that a rigid talent-development conveyor belt must be created to optimize a local economy; indeed, it is often quite valuable for local graduates to go outside the community for college or career, provided that they maintain connections with their hometown, either through relationships or one day returning to live and work.

What has often been missing – or at least not universally embraced – in the formalization of talent-development pipelines is the acknowledgement that not all high school graduates will want or need to pursue four-year college degrees. Indeed, this flies in the face of post-industrial notions that the best way to succeed in life is to go off to college or university, learn a career, graduate, and find a good job. The reality that demanding, well-paying careers can be accessed by adults with either a high school diploma, or, more realistically, a two-year degree or certificate was not a key theme in the “American dream” narrative. However, this is changing as the nature of work changes and jobs at all skill levels increasingly require technological know-how and the ability to interact with colleagues and customers. One of the most pervasive themes in the Sioux Falls Area Strategic Workforce Action Agenda process has been the reported bias against the pursuit of employment in the skilled trades (at one time known as “blue-collar” jobs). In fact, research showed that the jobs in greatest need of qualified workers were most frequently these skilled-trades positions.

Strategies to enhance the capacity and output of the Sioux Falls Area’s talent-development systems must therefore acknowledge both the perception and reality of training demands and opportunities. While perceptions can be changed through outreach and awareness-building, realities will require more formalized strategies addressing institutional alignment, programmatic development, and performance-measurement to effectively move the needle on workforce enhancement.

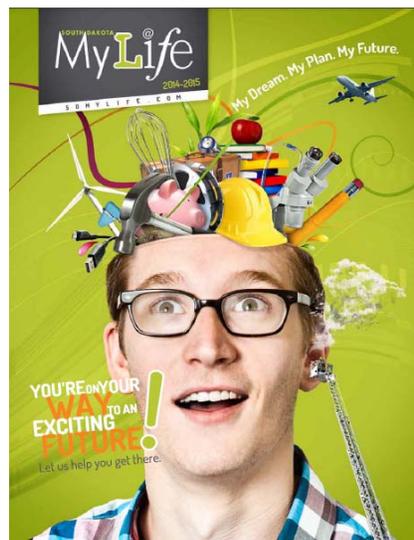
2.1 INTERNAL MARKETING

Input participants noted the double standard often inherent in those who support promotion of the skilled trades. The “electrician is a great job, but my child will be going to a four-year college” mindset is pervasive both inside and out of academia. Convincing the majority of Sioux Falls Area parents, educators, administrators, placement counselors, elected officials, and other student influencers and holders of purse-strings to truly believe that a high school graduate going directly to the workplace or a technical institute has equivalent value to graduating with a four-year college degree may not be possible. What an internal marketing campaign focused on the benefits of the skilled trades *can* do, however, is let parents and students understand that there are viable and lucrative options to a traditional four-year degree path. For educators, administrators, and counselors, this understanding is likely more prevalent. Yet if schools are

measured – either explicitly or implicitly – by college-matriculation rates, then attitudes and advisement on alternative career options will not waver from a “four-year first” mentality. Ultimately, efforts must focus not only on multiple audiences, but customized strategies based on accessibility to and value propositions of those audiences.

2.1.1 Design a multi-faceted, multi-platform awareness-building campaign (BP)

For a promotional campaign touting the benefits of career and technical opportunities to make an impact, organizers must be patient and persistent, especially as opinions on the relative value of degree options have been solidified over decades. Millennials are also a notoriously tough demographic to effectively reach via traditional marketing methods. So designers and implementers of the campaign will have to be creative and **utilize multiple electronic media outlets** to communicate a message that not only resonates with students but can also grab their attention. Strategies to broaden awareness of the value of career and technical education and skilled-trades employment will also have to be differentiated for parents, administrators, educators, and college counselors. These will likely entail more direct and interactive outreach, with invitations to influencers to meet singly or in groups to discuss student options and high-value alternatives to a four-year education. Researching and delivering defensible metrics to support the campaign’s argument will also be critical to its success. As with other recommendations in this Action Agenda, the coordinating entity(ies) should **formalize a design and development process for the awareness campaign**, ensuring that constituencies important to the crafting and dissemination of the message are included in program design. Existing local efforts like **TechEd Works for Me** and statewide initiatives like **Build Dakota’s** marketing component and **SDMyLife** should be leveraged for the campaign and integrated as necessary into messaging and outreach.



South Dakota MyLife Magazine

2.1.2 Resource, implement, coordinate, and optimize the campaign

An under-resourced or overly simplistic internal marketing initiative will not be successful. If greater Sioux Falls is going to do this, it must be done **aggressively, sustainably, and with sufficient capacity** to target all necessary audiences. Based on the approved program design, it is likely that a resource campaign or funding partnership will be necessary to activate, manage, and maintain the initiative. An entity will need to be identified to staff the campaign and make adjustments in coordination with key partners to best position the program for success. Eventually, if everything goes to plan, the need for the marketing effort will diminish over time as the message promoting skilled-trades opportunities becomes more culturally ingrained. Until that point, however, regional leaders must not waver in their commitment to address critical talent shortages in career and technical occupations by expanding the labor pipeline for these positions.

2.2 CRADLE-TO-CAREER

There is now almost **universal acknowledgement that student performance cannot be effectively influenced by schools alone**. With so many factors – from home life to diet to accessibility to teenage pregnancy to gangs to career awareness, etc. – combining to affect a student’s ability and capacity to learn, communities are increasingly deciding that the best way to address these factors is through an “alignment coalition” of education, business, social services, and other partners to ensure that efforts are optimally coordinated, measured, and sustained. From pioneers such as the Strive Partnership in greater Cincinnati to Alignment Nashville, dozens of U.S. cities and regions now have some form of “cradle-to-career” (C2C) partnership to manage the local workforce pipeline. The vast majority of these partnerships are separately incorporated non-profits with the resource and staffing capacity necessary to incrementally improve local student performance and workforce preparedness. The philosophy behind these cradle-to-career coalitions is known as “collective impact,” a term first coined in 2011 that is quickly becoming a widely accepted strategy for facilitating partnerships to positively influence critical social issues. Because **a key impetus for the Sioux Falls Area’s Action Agenda process was the reported lack of connectivity between partners and programs dedicated to workforce development**, it follows that the creation of a local cradle-to-career coalition is consistent with the core intent of regional leaders focused on these issues.

2.2.1 Pursue options to increase the delivery of affordable pre-kindergarten (pre-K) programs in the Sioux Falls Area (BP)

South Dakota is one of the few states in the U.S. without any dedicated funding for pre-K programming in local districts. With multiple studies and analyses demonstrating the lasting benefit of early childhood education, **it would benefit the Sioux Falls Area to determine the viability of offering pre-K classes for local children**. In order to ensure that accessibility to these programs is equitable, a certain percentage of pre-K slots should be made available to lower-income families. Local leaders say that attempts were made years ago in the Sioux Falls region (coordinated by the Sioux Empire United Way and Raven Industries) to offer pre-K programming, but these efforts were ultimately not sustainable. As a component of this Action Agenda, **new attempts should be made to secure resources to develop, provide, and promote pre-K classes** to interested regional parents. Enhancing programmatic capacity year-to-year should also be assessed and advanced to the point that universal pre-K is available in the Sioux Falls Area. It is also incumbent on regional leaders to ensure that pre-K programming is integrated into the cradle-to-career continuum proposed in action Focus Area 2.2.

2.2.2 Design the cradle-to-career coalition (BP)

There are many ways to structure, program, and implement C2C coalitions. While many communities have directly adopted the Strive and Alignment models – in some cases contracting with these entities to help design local programs – that does not mean there is a one-size-fits-all blueprint to create these partnerships. Some are focused on a single core urban school district, some on a regional collection of districts, and some just on the pre-school to college pipeline and not the full K-16 continuum through to the workplace. Sioux Falls partners will need to **research, identify, and design the model that works best for the community’s issues and ambitions**. Contacting and/or visiting communities that have successfully implemented C2C coalitions, or seeking counsel from the Strive or Alignment consultancies or their

equivalents, are also options as the Sioux Falls Area determines the partnership model that works best for the region. Ultimately, the coalition could become the umbrella entity linking a wide breadth of programming, including early-childhood education, career-based exposure and training, afterschool and summer programs, internship and apprenticeship placement, and other workforce development efforts.

2.2.3 Formalize the structure, staffing, budget, governance, and funding source(s) of the C2C coalition

Once the coalition's design has been determined and approved, **ensuring the efficacy and sustainability of the model will need to be addressed**. Will the coalition be a program of an existing organization or become a stand-alone entity? What is the optimal staffing, operational, and governance structure to best achieve the coalition's goals and manage the universe of regional partners coming together around its mission? What resources are necessary to be effective and how will those monies be sourced over the short- and long-term futures? All these questions must be answered and solutions advanced before the C2C coalition can launch and move forward.

2.3 TARGETED POPULATIONS

The Sioux Falls Area Workforce Sustainability Analysis identified issues affecting key regional populations that limit their ability to enhance local labor force capacity. Specifically, the **region's refugees and recent immigrants** are challenged by factors ranging from lack of English-language proficiency, to access to training and the workplace, to basic needs like food, housing, childcare, driver's licenses, health care, and other requirements of daily life.

Support for these populations is already well established in the Sioux Falls Area from entities like Lutheran Social Services of South Dakota, the Multi-Cultural Center, and Training Solutions Institute. However, **input participants noted that more must be done** to ensure that greater Sioux Falls' international populations have access to higher-paying careers, especially those in great demand from regional employers, and receive follow-up assistance beyond initial stabilization in their new communities. Solutions will no doubt require additional capacity to create and implement programs and hire new staff to manage them. Thus, like so much else in workforce development, resources will need to be identified and acquired to support capacity-building.



Multi-Cultural Center (Source: SFCVB)

2.3.1 Determine programmatic priorities to enhance support of targeted populations (BP)

The potential exists to incorporate the coordination of refugee and immigrant support services under the rubric of the proposed cradle-to-career coalition or continue to house their design, coordination, and implementation independent of any formalized partnerships. Regardless, career opportunity awareness-building among international populations, training and upskilling programs, early childhood, transportation, childcare, and other programs should still be linked to their relevant representation on C2C boards and committees. **Key programmatic priorities** identified by public input participants included:

- Enhanced capacity to train local translators, potentially supported by an accredited certification program for this career
- Translation of public signage and certain paper and online forms into the Sioux Falls Area's most frequently spoken languages
- Creation of follow-on support services for international populations beyond initial stabilization and job-placement assistance
- Programs to bring instruction to multiple regional locations (or through mobile classrooms) to improve accessibility to training
- Customized transit and childcare services for refugee and recent immigrant populations

2.3.2 Ensure new programs are sustainable

As noted, new programs and capacity supporting targeted populations could be integrated into the coordination framework of the C2C coalition. But this will not satisfy resource demands required to launch and sustain new staff and programs. Thus, as with so many of the initiatives in this Action Agenda, **funding will need to be sourced and committed** to the enhancement of existing refugee and immigrant support services. Whether these monies are included in a broader resource campaign dedicated to funding all or some of the Action Agenda recommendations, there will nevertheless be a need to enhance regional capacity to support targeted populations.

2.4 CONTINUOUS LEARNING

Underemployment was said to be an issue adversely affecting greater Sioux Falls' workforce competitiveness. Data also supported the fact that many regional workers possess levels of education above what are required for their current occupations. While this situation in some ways is reflective of a mismatch between regional training programs and job availability, it still presents an **opportunity to reposition certain workers for careers in demand**. These may either be with their current employer or perhaps with another Sioux Falls Area company. Again, this is a situation in which multiple local programs exist to provide workers with skills making them more employable; but these candidates are often unaware of these opportunities or do not see the benefit of uprooting from their current jobs for a new position. There is also the possibility to develop **"continuous training" capacity** on site at regional places of employment. This could become an effective way to supplement internship and apprenticeship programs by locating pre-screened job candidates in situations where they can establish themselves as quality employees while the companies receive subsidized training support for hard-to-fill positions.

2.4.1 Build capacity to reduce underemployment in greater Sioux Falls (BP)

Achieving the goal of repositioning underemployed workers for new careers and directing potential candidates to jobs in demand will require a multi-pronged attack. **Building awareness among the incumbent workforce of training opportunities** for well-paying careers, especially in occupations experiencing talent shortages, could be a component of the internal marketing program proposed in Focus Area 2.1. Existing marketing budgets at state and federally-supported Sioux Falls Area institutions could

also be leveraged for this purpose, in addition to outreach by leaders in minority and international communities. Borrowing a concept from student-teacher “residency” programs in local schools, students and adults interested in specific careers could be embedded on-site with employers to receive **on-the-job training** leading to placement in a full-time position. This program could be partially or fully subsidized by training partners, Workforce Investment Act¹ funding, or private and philanthropic donations. Businesses would be key partners in this program, either identifying existing employees who could benefit from upskilling or hosting trainees with the intent of eventually hiring them full-time. Since programs directed at underemployment fall outside the purview of the cradle-to-career alignment coalition, one or more program administrators would need to be identified to implement these initiatives.

¹ *Market Street* has seen workforce investment boards in client communities creatively apply federal monies to support on-the-job training programs serving broader constituencies than just their mandated support populations.

3.0 Shared Focus Areas

A number of proposed strategies in the Sioux Falls Area's Strategic Workforce Action Agenda have applications to both Talent Attraction and Retention and Talent Development. While Shared Focus Areas can certainly integrate with proposed components like the talent attraction campaign, cradle-to-career coalition, targeted populations, continuous learning, and others, they cannot be exclusively applied to either of the Agenda's two principal Goal Areas. While certain of the Goal 1 and 2 actions have opportunities to leverage state programs, **there are components of the Shared Focus Areas that rely solely on state-level legislative or policy changes.** A similarity of the shared objectives with actions in the first two goals is the need to find them organizational "homes" – either administratively or programmatically – in order to remain viable.

3.1 CAREER-BASED TRAINING AND EXPERIENCE

Especially in a region like Sioux Falls, where data and feedback confirmed a mismatch between the available workforce and employer needs, **a focus on preparing students and adults for high-value careers should be paramount.** Already, regional school districts and training providers have acknowledged this reality by creating programs and even a dedicated high school campus to expose students to local careers in demand and, in some cases, provide them direct experience that will enable them to transition from school directly to the workplace. Even so, numerous public input participants said that **more must be done to incorporate career-based training into the K-16 pipeline** and ensure that students have the skills needed to succeed in college and careers. As with models of this type across the country, a stated goal of the proposed cradle-to-career coalition (Focus Area 2.2) should be to formalize linkages and partnerships between Sioux Falls Area businesses and education and training providers. Career-focused programs can also be effective strategies to attract and retain talent, whether through internships for local students with regional businesses, job postings on the proposed web portal, or connecting prospect talent identified through external marketing with interested greater Sioux Falls companies.

3.1.1 Leverage and enhance career-directed programs in Sioux Falls Area K-12 districts (BP)

In recent years, the Sioux Falls School District has greatly ramped up its career-focused programming. This includes the development of the **Career and Technical Education Academy** (CTE Academy) where nearly 900 students currently learn about Media Production, Health Science, Biomedical Sciences, Carpentry, Hospitality & Tourism, Culinary Arts, Engineering, Auto Tech., Auto Body, Manufacturing, Welding, and Human Services. A multi-year Academy of Finance is also offered. The district should continue to expand these programs, adding more specializations as resources become



Sioux Falls Career & Technical Academy (Source: SFSD)

available. Existing and future programs should all be informed by direct and ongoing dialogue with Sioux Falls Area business leaders. There is also the option of **evolving the CTE Academy in to a standalone high school campus**. The dual-credit **Learners to Leaders** program in partnership with John Morrell Food Group should also be sustained.

Increasingly, it is critical that high school students graduate with more than just general and career-specific knowledge, but also **proficiency in so-called "soft skills"** necessary to be successful in most professional work environments. The Sioux Falls School District has already created a **New Technology High School** that incorporates instruction on factors such as work ethic, collaboration, and communication; but this campus is principally for high-achieving students. Many public input participants said that one or more Sioux Falls K-12 districts should **develop classes on life skills** to enable students to better perform in work environments upon graduation from high school or college. It is also important for faculty in regional K-12 districts to continue to learn first-hand about the dynamics of Sioux Falls Area companies through placement on-site in workplaces during the summer months.

3.1.2 Continue expanding opportunities for regional students to obtain on-the-job experience while still in school

Providing opportunities for students to gain first-hand exposure to and experience with locally prominent careers has proven to be an effective way to improve their engagement in class, enable them to get valuable work experience, connect businesses with education and training providers, and formalize career pipelines from school to the workplace. To have a sustained benefit for the regional economy, these **programs should consistently be assessed as to their applicability to targeted employment sectors** and jobs projected to be created in the years to come. As with opportunities to receive career-specific training, the Sioux Falls Area already features employer-linked programs offering job shadowing, internship, and apprenticeship slots to students. In addition to the requirements of New Technology High School students to obtain internships in their junior and senior years, the **ShadowED** program was created out of Forward Sioux Falls to serve as a clearinghouse to arrange job shadowing experiences for Sioux Falls Area high school students. Regional Sioux Falls employers also reported connections they have made with high school, two-year, and four-year colleges to provide internships for qualifying students. However, input participants also noted the lack of formalized programs to connect students with on-the-job opportunities. Thus, it would benefit the Sioux Falls Area to **develop a customized, staffed, well-promoted, and sustainable program** to connect interested high school and college students with available internships and apprenticeships at regional companies. Consideration could be given to expanding the ShadowED program to include internships and apprenticeship opportunities or a new initiative could be created. Partnerships would need to be established with K-12 faculty and career counselors as well as higher education placement officers and human resources representatives from greater Sioux Falls firms of all sizes.

3.1.3 Fully leverage all existing state and local career-focused programs

In addition to career-directed programs cited in Sioux Falls K-12 districts, a number of established efforts exist at the state and local level outside the purview of public school systems. Locally, the City of Sioux Falls recently announced the first recipients of grants from a \$500 thousand dollar **Workforce Development**

Pilot Program to award funding to training-related proposals with strong potential for success. In fact, \$50,000 was awarded to support the Sioux Falls Area's Strategic Workforce Action Agenda. **At the state level, a number of career-driven programs exist** to train, retain, and attract talent for careers in demand. Among these are the aforementioned Build Dakota program, the *Dakota Corps Scholarship*, the *Sanford Program for the Midwest Initiative in Science Exploration (PROMISE)* U.S. Department of Labor Registered Apprenticeships, and *South Dakota WINS programs*, including SDMyLife, SDWORKS, and Dakota Roots. The Sioux Falls Area should not only strive to **leverage and promote existing programs** as effectively as possible, but also work with leaders at the state and local level to inform enhancements to current initiatives and lay the groundwork for new efforts as needed.

3.1.4 Pursue a strategy to support student and employer access to vital training and academic programs along the full continuum of degree options

South Dakota is the only state in the country that does not have a community college system. This deficit creates a **programmatic gap between high school and four-year state institutions** for students interested in coursework that would both prepare them for the workplace and put them on an approved transfer path to a four-year university. With Southeast Technical Institute (STI), greater Sioux Falls has a state-supported institution that offers critically important training and educational programming through the AAS degree, but the AAS degree is not wholly transferrable for students who want to move to a four-year program. Meanwhile, the South Dakota Public Universities and Research Center (University Center) offers degrees with an emphasis on four-year and graduate programs with a few two-year options. To bridge the region's programmatic gap and complement STI's strong career-focused curricula, the Sioux Falls Area should **position the University Center as the locus of greatly expanded access to AA and AS degrees** through partnerships with current institutions. This would provide education options for immediate employment as well as full transferability to four-year programs.

As will be proposed in Action 3.3.2, the Sioux Falls region should begin by supporting the constitutional amendment to settle governance issues for STI, helping establish a new governance model, encouraging program growth in local demand fields, and considering local funding options to strengthen the institution. With enhanced capacity and greater clarity on STI's mission and governance, regional leaders can set about expanding the University Center's role as a complement to STI by supplying graduates to the workforce and four-year programs at the Center, South Dakota's public universities, and local private institutions. A component of this strategic emphasis must be a **well-designed strategy to address tuition cost** for Sioux Falls Area individuals and populations without the means to advance their college educations. As more students succeed in accredited associate degree programs, new demand will make it feasible for the state's public universities to offer additional four-year programs. Moreover, these students would enjoy full transferability to private four-year schools, providing these institutions with additional students to fill their programs and adding another source of talent for greater Sioux Falls' workforce.

3.2 TALENT PORTAL

It is important that a “home base” exists for external talent looking to learn more about greater Sioux Falls, be connected to potential employment opportunities, get information on how to relocate to the region, and see pathways to plug into local networks. A tool like this ultimately adds value to existing residents as well as potential in-migrants. By creating a high-profile and effectively managed front door to the Sioux Falls Area for talent, the potential exists to foster online interaction between like-minded workers that can lead to discussions on career advancement and exploration, identification of volunteer-engagement opportunities, creation of advocacy groups for key initiatives, and many other outcomes. Ultimately, the portal could become the **principal workforce retention and attraction tool in the region’s arsenal** if optimized to serve as a landing pad for talent prospects leveraging state tools like Dakota Roots, SDMyLife, and others, a reference site directing users to targeted partner sites and programs, and a means for local leaders to “close the deal” on talent interested in remaining or relocating to the Sioux Falls Area. The City of Sioux Falls web portal for the ‘Sioux Falls Has Jobs’ campaign is an example of a tool that could evolve to serve a broader purpose.

3.2.1 Design and create a web portal for talent (BP)

There are many current examples of communities that have created dynamic, interactive online tools for the purpose of talent attraction, retention, and networking. The Sioux Falls Area should become familiar with best-practice talent portals to inform the development of its own **web-based front door for existing and potential workers**. However, the region should not be limited by existing models. The Sioux Falls Area has the potential to expand the breadth of its portal by positioning it as a resource for local corporate partners, a transfer point and/or destination for users of state programs and websites, and a staffed, managed tool for interacting directly with talent prospects interested in greater Sioux Falls to communicate the region’s strengths and benefits. In other words, the portal can become a “one-stop shop” for talent retention and attraction in the region. Whether an existing site is enhanced or a new domain created, regional partners will need to determine who will manage, coordinate, and update the portal so it maximizes its potential as a talent-development tool.



Talent Portal for Des Moines, Iowa

3.2.2 Promote, leverage, and sustain the portal

Optimizing the content and impact of the talent portal will depend on the degree to which it engages and sustains the participation of Sioux Falls Area companies and existing professionals across multiple sectors. As such, it will be important to include key constituency groups such as Millennials and others in the design and programming of the website. In addition to serving as a storehouse for job postings and résumés of talent prospects, the **portal can foster virtual networking** between existing talent serving as

content and subject moderators for local or external site visitors. In order to serve this purpose, the portal site will need to be well publicized, its content kept current, relevant, and respectful, and its architecture consistently monitored and enhanced. Thus, an entity must be charged with managing the site daily and ensuring it remains a valuable talent development asset.

3.3 STATE POLICY

Certain of the Sioux Falls Area's workforce development challenges relate directly to state-level policies that impact funding for public education (and, therefore, teacher salaries) and governance structures of South Dakota's technical institutes that complicate linkages to four-year institutions and businesses. While these issues are not under the direct control of greater Sioux Falls public and private leaders, they can nevertheless exert their influence on that of the state's largest economy to communicate how these policies adversely affect the region's workforce competitiveness.

3.3.1 Advocate for increased state funding to public school systems

Average teacher salaries in South Dakota are last in the U.S., behind even the District of Columbia. Numerous education officials in greater Sioux Falls lamented that failure to invest at the "front end" of the educational pipeline hampers any efforts to optimize the product at the end of the development system. Administrators speak of the great difficulty they have in retaining teachers or arresting higher-than-average faculty turnover because low wages either drive them to other occupations or out of the state in search of higher pay. Simply put, if South Dakota does not increase its investment in public education, there is no way it can compete in the national war for talent. Because the local drum beat on this issue has been loud for years and getting even louder, **action has been taken at the state level to investigate potential solutions to educational funding.** In March 2015, Gov. Dennis Daugaard announced his appointments to a Blue Ribbon Task Force on Teachers and Students charged with reviewing current funding formulas and making recommendations to the 2016 State Legislature for reform. While there are "opt out" assessment clauses that enable school districts to receive additional local tax revenue to supplement state monies, these are capped and typically not enough to move the bar on salary increases or funding for programs, facilities, and technology. The Sioux Falls Area must join with localities from across the state to **build a strong coalition to lobby for increased appropriations for public schools.** Without these resources, any effort to enhance regional workforce competitiveness will fall short of its potential.

3.3.2 Reform technical institute governance and program transferability

In addition to challenges posed by biases against career and technical occupations, South Dakota's technical colleges, including Southeast Technical Institute (STI), also suffer from reported resource constraints. While the Build Dakota scholarships will support student tuitions, some officials said that the program does not address the institutions' greatest limitation, namely lack of state appropriations to sufficiently pay faculty, fund new programs and equipment, and expand facilities. Therefore, **efforts to reform the funding and governance of South Dakota's technical institutes** should also be a Sioux Falls Area priority. As with funding reform for K-12 districts, state-level efforts are also focused on reviewing how technical institutes are funded and governed. In its 2015 session, the South Dakota Legislature

approved a bill to put the governance of the state's technical schools to a public vote. Currently, South Dakota's constitution does not specify who should run technical institutes; local school districts operate the tech schools at Mitchell, Watertown, Rapid City and Sioux Falls, while the state Board of Education establishes their rules, programs, tuitions, and fees. If approved by voters, the state Legislature will be put in charge of deciding how the technical schools are governed and funded. As with public school funding, **Sioux Falls Area leaders should aggressively support reformation of South Dakota's technical schools** to make them more resource competitive, provide them the independence necessary to set their own curricula, agendas, and budgets, and enable more seamless transferability of two-year college degrees to the state's four-year public universities. Currently, arbitrary transferability rules are said to drive many students out of state to institutions where their existing class credits are accepted.

3.4 BRANCH CAMPUS

Sioux Falls is one of very few regions with its state's largest population but not a stand-alone four-year public university campus. Despite the relative proximity of the University of South Dakota (USD) and South Dakota State University (SDSU), multiple public input participants feel that the lack of a four-year public university campus in the community notably limits its ability to attract and retain top talent. However, regional leaders are also realistic and understand that the **process of seeding and developing a public campus in the Sioux Falls Area will require years-long effort and steadfast determination** to build consensus, resource, design, and launch a four-year branch in the region. As such, **initial activities should focus on continuing to establish a base of programming** in the Sioux Falls Area that fills key local needs but is not redundant to offerings at the institution's home campus. The most relevant example is the location of USD's Biomedical Engineering program at the GEAR (Graduate Education & Applied Research) Center in Sioux Falls.

As will be noted, working towards establishing a four-year branch campus need not mean the end of the existing University Center. Rather, a new branch campus would augment the University Center's capacity and even – depending on its location – create a more “collegiate” atmosphere for University Center students.

An interesting model for Sioux Falls would be Rochester, Minnesota. While the community has recently become the latest metro to get a University of Minnesota branch campus, that facility is solely targeted on degree needs of area businesses, particularly the behemoth Mayo Clinic. A University Center in Rochester that existed before the creation of the University of Minnesota campus continues to



University of Minnesota, Rochester Campus (Source: UMR)

offer local degrees in collaboration with two- and four-year institutional partners. Thus, the Sioux Falls Area could get its own four-year branch campus, likely an affiliate of the University of South Dakota, but still offer beneficial degree opportunities at the University Center. The USD campus would create degree

programs **wholly informed by business community needs** and non-duplicative of existing University Center offerings.

Because the development of a branch four-year university campus in South Dakota is such an aspirational goal, it will not come easily or quickly. As was the case for the University of Minnesota-Rochester, years of lobbying and development would likely be needed to secure approval for, resource, and program a new branch campus. It should also not be assumed that the campus would be affiliated with the University of South Dakota.

3.4.1 Assess needs, build consensus, and establish a long-term development plan for a public university branch campus in the Sioux Falls Area

Before any attempts to site a new branch campus in the Sioux Falls Area are initiated, it will be necessary to determine if this is an asset the community even needs or wants. **Outreach and discussions around the potential for a Sioux Falls Area branch campus** should be inclusive and engage all key stakeholder organizations, systems, and leaders who would be impacted by, or could advance, campus development. It would be beneficial to **establish an Exploratory Committee** of top public and private leaders to oversee and coordinate the assessment process. USD's Biomedical Engineering and Sanford Medical School programs can serve as examples of identifying regional needs and establishing non-redundant programming in greater Sioux Falls as the beginnings of a more comprehensive local university presence. Analysis and outreach should be conducted to inform the creation of a **long-term, phased development plan** for building new programmatic capacity in Sioux Falls as the underpinnings of the evolution of a regional branch campus.

3.4.2 Launch and sustain efforts to bring a four-year university branch campus to the region

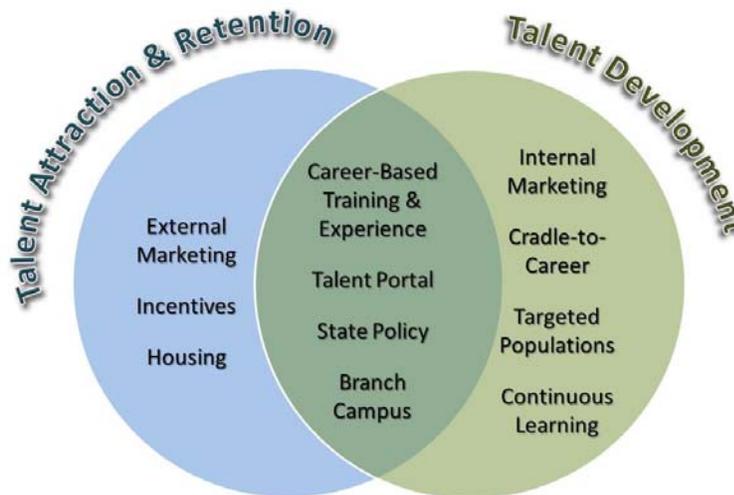
Once a long-term, phased branch-campus-development plan has been formalized, **consistent, informed, aggressive, and unified advocacy** from greater Sioux Falls Area constituencies will be needed to get the issue on the radar of top state elected officials. As occurred in Rochester, Minnesota with the empaneling of the public-private Rochester Higher Education Development Committee (RHEDC), the next step in Sioux Falls would likely be the **establishment of some type of state development committee**. Ultimately, the RHEDC identified the need for a new four-year institution and laid out a strategy to achieve this goal. Years later, the University of Minnesota Rochester was designated as a full and official coordinate campus of the University of Minnesota system. This and other roadmaps could prove useful to inform greater Sioux Falls' efforts, if pursued.

CONCLUSION

Rather than refresh the Future Sioux Falls strategy, Forward Sioux Falls has instead decided to position this Strategic Workforce Action Agenda as the region's principal tool for ensuring its demographic and economic trends continue to move in positive directions. By acknowledging the critical importance of talent development to the region's future competitiveness for economic development, the Sioux Falls Area has taken a bold step to position itself for success in the retention, expansion, and attraction of high-value, well-paying employment. In reality, economic development leaders are simply listening and responding to the calls of their constituent companies to address the region's principal competitive challenge: the capacity and sustainability of the workforce.

Though greater Sioux Falls' labor force availability issues are acute, the region is by no means alone in its struggles to develop and maintain a sufficient supply of talent to support growth of regional firms. Nearly every community of size in the country is dealing with similar challenges to provide the workers necessary to satisfy the demands of local employers. Public and private leaders across the U.S. have struggled to identify pervasive solutions to these talent development issues; indeed, it would be foolhardy to think that these challenges can ever be "solved," at least in the coming years as older Americans retire and a smaller replacement cohort comes up behind them. Instead, regions like greater Sioux Falls should seek to leverage, enhance, and create targeted strategies to ensure that efforts to improve workforce capacity are optimally configured, coordinated, and impactful.

This Action Agenda has sought to provide holistic, inter-connected programs focused on talent attraction and retention and talent development – the two principal ways workforce capacity is built – as well as activities supportive of both categories. This structure is demonstrated in the graphic to the right:



If implemented effectively by collaborative teams of education and workforce providers, employers, economic development organizations, social services agencies, and other partners, the Action Agenda would go a long way towards ensuring that the Sioux Falls Area is proactively and progressively resolving its talent issues for the benefit of regional employers and generations of future workers.

APPENDIX: BEST PRACTICES

Market Street maintains an extensive library of best practice programs, processes, organizations, and efforts for application to key competitive opportunities and challenges identified through our comprehensive research process. Best practices recommended to inform the Strategic Workforce Action Agenda were selected based on their specific relevance to actions and efforts the community can pursue. Ultimately, local leadership should utilize these best practices as guidelines and potential programmatic models to inform strategic efforts custom-tailored to the Sioux Falls Area.

ACTION 1.2.1: LIVE NF (NIAGARA FALLS, NY)

The Niagara Falls Community Development department is attempting to lure young professionals to live in Niagara Falls by offering to pay back a portion of their student loans. The Live NF program is still relatively new and its impact not entirely known, however, its innovative use of incentives to attract talent has received national attention. The participants receive around \$3,500 each year throughout a two-year term agreement. Applicants to the program must be annually certified to ensure that they are in good standing with the loan agency, landlord, or mortgage agency, and have maintained downtown residency for the two-year term.

live-nf.com

CHALLENGE DETROIT (DETROIT, MI)

Challenge Detroit is an urban revitalization program launched to attract a young, creative, and professional class into the city. The annual program offers applicants the opportunity to do a fellowship in Detroit with participating companies including CBS Detroit, Detroit Lions, United Way, PWC, General Motors, and other top national employers. The 30 chosen fellows live and work in Detroit for one year where they work four days a week at a host company and one day a week they meet to discuss the city's challenges. The young, innovative leaders also participate in a leadership program, engage in team challenges, and partner with area non-profits and community-service projects. By bringing these young professionals into the city to experience Detroit for a year, the organization hopes that it will attract and retain the city's creative and professional class. The initiative is now going on its fourth year. Between 2012 and 2015, ten fellows started their own ventures in Detroit and 24 fellows opted to stay in Detroit after their term had ended.

www.challengedetroit.org

ACTION 1.3.1: WORKFORCE HOUSING INITIATIVE (MONTGOMERY COUNTY, MD)

In communities where real estate is expensive or limited in supply, there frequently exists a “gap” – a lack of available options for workers who cannot afford market-rate housing but earn too much to qualify for traditional forms of assistance. In response, many localities have focused on “workforce housing” that can enable key members of the local economy to live in the same community in which they work. Among the most active communities in this space is Montgomery County, Maryland, a suburb of Washington, D.C., which operates two programs. The first is carried out through “inclusionary zoning” – a requirement that new developments with at least 50 units set aside 12.5 to 15 percent of the inventory as Moderately Priced Dwelling Units (MPDU) which are available for rent or purchase to households earning less than approximately 70 percent of the area median income. For households that earn too much to qualify for these units, Montgomery offers the Workforce Housing Program (WFH), which provides for-sale residences and townhomes at a below-market scale. The MPDU program has created an average of 418 units each year since 1978.

<http://montgomerycountymd.gov/DHCA/>

LIVE DOWNTOWN PROGRAM (DETROIT, MI)

Employees at Blue Cross Blue Shield of Michigan, Compuware Corporation, DTE Energy, Marketing Associates, Quicken Loans, and Strategic Staffing Solutions are eligible for the Live Downtown programs that are administered by Midtown Detroit, Inc (MDI) and coordinated by the Downtown Detroit Partnership. Live Downtown is aimed at incentivizing residents to live and invest in the Downtown area and offers four financial incentive options to employees at the participating companies to live where they work by helping them purchase or rent a home.

- New homeowners receive up to \$20,000 forgivable loan toward the purchase of their primary residence.
- New renters receive a \$2,500 allowance of funding toward the cost of their apartment in the first year followed by additional funding of \$1,000 for the second year.
- Existing renters receive a \$1,000 allowance of funding for renewing a lease.
- Existing homeowners receive matching funds of up to \$5,000 for exterior improvements for projects of \$10,000 or more.

www.detroitlivedowntown.org/

ACTION 2.1.1: MANUFACTURINGWORKS (CHICAGO, IL)

ManufacturingWorks provides comprehensive talent recruitment, talent assessment and worker training services to support the workforce development needs of Chicago region manufacturers. The organization serves as a comprehensive recruiting agency and was created out of a partnership between the city of

Chicago and local manufacturing and workforce development partners. The agency serves as the Chicago region's Manufacturing Business Service Sector Center and is tasked with supporting the workforce development needs of area manufacturers. Among other programs, ManufacturingWorks works directly with manufacturers to identify any skills gap in their existing workforces, and aligns the company with customized training programs that can address their needs.

<http://www.chicagomfgworks.org/index.html>

ELEVATE ADVANCED MANUFACTURING (IOWA)

Elevate Advanced Manufacturing was launched by the Iowa-Advanced Manufacturing (I-AM) Consortium and the Iowa Association of Business and Industry (ABI) to promote careers and educational pathways in advanced manufacturing. Elevate Advanced Manufacturing is a statewide integrated marketing campaign that seeks to address the poor public perception of manufacturing and educate Iowans about the career opportunities that exist in the industry. The Elevate initiative is specifically targeted to the unemployed/underemployed, veterans, educators, K-12 students and their families, and Trade Adjustment Assistance (TAA) eligible workers. In order to inspire interest in the next generation of workers, the Elevate initiative takes advantage of educational opportunities and curriculum-integration opportunities in Iowa's K-12 schools. This includes tours of advanced manufacturing facilities, and hearing from speakers and witnessing demonstrations from workers in the field.

<http://www.elevateiowa.com/>

ACTION 2.2.1: BIG 5 KC: KINDERGARTEN READINESS

With the help of community leaders, the Kansas City Chamber identified five Big Ideas that represent community-based projects that must be undertaken by the Kansas City community in order to maintain its competitiveness. In 2014, Pre-K education was inserted on the "Big 5" list in the form of "Building Kansas City's Workforce of Tomorrow through Kindergarten Readiness." Through this initiative, the Kansas City Chamber has taken on the ambitious objective of connecting every child, family, and community with the resources necessary to launch successful educational careers on the first day of kindergarten. Three co-champions are leading the initiative, which is organized into three strategic categories – assessment, buy-in, and collaboration. Subject matter experts in the region have begun work to identify specific regional tactics built around the three areas of focus that can be pursued to achieve the program's goals.

<http://www.big5kc.com/building-kansas-citys-workforce-of-tomorrow-through-kindergarten-readiness/>

ACTION 2.2.2: CRADLE-TO-CAREER PARTNERSHIPS

These public-private coalitions convene education, training, government, non-profit, and business constituencies through a shared vision of creating a best-in-class regional workforce development system and product. Business interests in communities around the country have long sought to support and

improve the quality of education systems. But in recent decades as school systems have faced increasingly severe challenges and as resource constraints, many communities have formalized these efforts through the creation of comprehensive programs or independent, non-profit entities.

STRIVE PARTNERSHIP (CINCINNATI, OH)

The Strive Partnership in Metro Cincinnati is a 501(c)3 coalition of early childhood advocates, district superintendents, college and university presidents, community funders, business leaders, and service providers united around shared issues, goals and measurements, and results. With a motto of "Every Child, Every Step of the Way, From Cradle to Career," the Partnership seeks to serve as a catalyst for working together across sectors and along the entire educational continuum to drive better results in education. The guiding goals of the Strive Partnership are that every child is prepared for school, every child is supported inside and outside of school, every child succeeds academically, every child enrolls in some form of postsecondary education, and every child graduates and enters a career.

The Strive Partnership is guided by data driven decision-making, facilitating and sustaining coordinated action, and advocating for and aligning funding around what works. To measure success, the Strive Partnership tracks its progress relative to: kindergarten readiness, reading and math achievement, high school graduation rates, average ACT scores, college enrollment, completion, and retention.

The StriveTogether Cradle to Career Network was born out of the Strive Partnership in Cincinnati and assists other communities in implementing the StriveTogether framework. It has grown to include over 60 community partnerships in 31 states and Washington D.C. Some of the network members include:

- E3 Alliance (Austin, TX)
- ImpactTulsa (Tulsa, OK)
- Boston Opportunity Agenda (Boston, MA)
- KConnect (Grand Rapids, MI)
- Milwaukee Succeeds (Milwaukee, WI)
- Generation Next (Minneapolis & St. Paul, MN)

www.strivetogether.org

ALIGNMENT NASHVILLE (TN)

Emerging from a study conducted by the Nashville Area Chamber of Commerce, Alignment Nashville brings community organizations and resources into alignment so that their coordinated support of Nashville's youth has a maximum impact on public schools success, children's health, and the success of Nashville's community as a whole. Alignment Nashville integrates the efforts of over 175 nonprofit organizations, ensuring that their work aligns with the strategic plans of the Metro Nashville Public School System, and other local community plans.

Alignment Nashville is overseen by a board of directors and operating board consisting of Metro Nashville Public Schools administrators and community organization executives. The board also develops direction and processes for the initiative's working committees. Greater returns on investment, higher quality services, enhanced capacity, and better leveraging of local funding are goals of Alignment Nashville. Alignment USA was formed out of Alignment Nashville as a network of communities that share the common principles, structure, process, and technology. Network communities include Honolulu, HI; Elgin, IL; Detroit, MI; Rockford, IL; Jackson, MI, and Coachella Valley, CA; among others.

www.alignmentnashville.org

ACTION 2.3.1: MOSAIC PROJECT (ST. LOUIS, MO)

The St. Louis Mosaic Project was launched in 2012 with the goal of becoming the fastest growing U.S. metropolitan area for immigration and international talent by 2020 after an economic impact report highlighted the economic benefits of increasing foreign-born population. The initiative aims to achieve regional prosperity through immigration and innovation and is managed by the St. Louis Economic Development Partnership, World Trade Center St. Louis, and a 22-member committee. The Mosaic Project operates a number of different programs that connect foreign-born professionals, women, entrepreneurs, students, and others to each other, and provides them with the resources they need to excel personally and professionally. For example, the Immigrant Entrepreneurship Program seeks to connect immigrant entrepreneurs with the mentorship, funding, and other supportive programmatic resources they need to successfully launch their ventures.

<http://www.stlmosaicproject.org/>

WELCOME DAYTON PLAN (DAYTON, OH)

Dayton, OH was highlighted in a June 2014 Time magazine article for the city's embrace of immigration as a community growth strategy and for inspiring a domino effect in other Midwest communities dealing with dwindling populations. The "Welcome Dayton Plan" is a community plan that was unanimously adopted by the city commission in 2011 based on recommendations from four sub-committees that are involved in community economic development. The plan resulted in numerous proactive measures to make the city more immigrant-friendly. These measures range from a directive by the local police chief to be more lenient in checking suspects' immigration status to embracing the World Cup-esque Dayton World Soccer Games that is enjoyed by 600 plus local children and adults. Personal stories from immigrants and their families living in Dayton are highlighted on the Welcome Dayton Plan website so that other prospective residents see that Dayton is an inclusive community for immigrants. As a result of the city's efforts, Dayton's immigrant population grew by 40 percent from 2011 to 2012 alone, and the city received special recognition from the U.S. Chamber of Commerce for being one of seven "Enterprising Cities" for the support systems they put in place for immigrant entrepreneurs.

<http://www.welcomedayton.org/>

ACTION 2.4.1: NCWORKS INCUMBENT WORKER TRAINING GRANT PROGRAM

The NCWorks Incumbent Worker Training Grant program is a competitive grant program that subsidizes the costs incurred by businesses to train incumbent workers with new job skills. The employability of existing workers is enhanced through this grant program that seeks to identify and minimize skills gaps that could otherwise prevent employee upward mobility and overall business stability. Funds are awarded on a competitive basis with \$10,000 being the maximum one-time award amount and \$40,000 being the maximum lifetime limit for the awarded business. Grant funds are used to cover the costs of instructional courses and course materials, training for certification exams, skills assessments, and other related professional skills development costs. The program is cooperatively administered by the North Carolina Department of Commerce's Division of Workforce Solutions and the state's Local Workforce Development Boards (LWDB). In 2014, the state awarded \$205,000 to 26 employers that benefitted more than 475 employees.

<https://www.nccommerce.com/workforce/businesses/ncworks-incumbent-worker-training-grants>

ACTION 3.1.1: NORTHLAND CAPS (KANSAS CITY, MO)

Northland Center for Advanced Professional Studies (NCAPS) is a career readiness, profession-based learning program where high school students in their junior and senior years are given the opportunity to gain real world, hands-on experience in a professional work environment. The partnership between the public education system and local employers enables students to have personalized learning experiences working with business partners and mentors and gaining professional skills such as problem solving, time management, and self-discipline. The students participate in projects with partner companies that align with the area of study and are given the opportunity to test career paths before post-secondary education. The program has grown from 150 students in 2008 to more than 800 students in 2015 and the classes offered continue to evolve. The CAPS advisory board, which develops class curriculum and determines additional class offerings, is made up of local industry experts.

www.northlandcaps.org/

ACTION 3.2.1: CARPE DM (DES MOINES, IA)

Launched by the Greater Des Moines Partnership, CarpeDM (www.SeizeDesMoines.com) is a website that acts as a one-stop shop for new and prospective residents of the Greater Des Moines Area. CarpeDM provides a wealth of information for relocating residents including a relocation guide, local school and higher education systems, detailed neighborhood information as well as links to neighborhood resource organizations, and bus and air service infrastructure in the Greater Des Moines Area. Perhaps CarpeDM's strongest feature is its integration of the professional networking site LinkedIn. While browsing the interactive website, prospective new residents can connect with community members who have

volunteered to be ambassadors for certain topic areas and local programs. For instance, new residents desiring to learn more about the Young Nonprofit Professionals Network of Des Moines can easily select an ambassador and connect with them through LinkedIn. To assist in generating content, the Greater Des Moines Partnership has leveraged the Greater Des Moines community by adding a “contribute content” feature. Once registered, CarpeDM users can create their own profile, connect with ambassadors through LinkedIn, add pages, edit content, and submit photos. The site also provides opportunities for users to get connected to job opportunities.

www.SeizeDesMoines.com

IMAGINEPITTSBURGH.COM (PITTSBURGH, PA)

The Allegheny Conference on Community Development, a local economic and community development organization launched the ImaginePittsburgh website as a communications platform and a searchable job listing aggregator in an effort to connect job seekers with local employment opportunities. The website showcases the region as a place not only to work, but also as a community to live, play, and learn. The talent attraction initiative sponsors events in the community, has hosted online job fairs during which participants can chat in real time with recruiters at regional employers, and features a “Neighbors” section on the website that profiles Pittsburgh natives, settlers, and “boomerangers” where the residents offer their personal perspective about living and working in the region. The ImaginePittsburgh.com talent portal has continued to be expanded upon and improved, with the Allegheny Conference recently introducing strategic marketing initiatives to target talent such as veterans leaving military service, IT talent, and “boomerangers.” Additionally, the Allegheny Conference and partners launched the ¡Hola Pittsburgh! initiative aimed at targeting and attracting Latinos, especially Puerto Ricans, to the area. In 2014, there was an average of more than 24,000 jobs displayed daily and visits to the site have doubled each year between 2011 and 2014.

Imaginepittsburgh.com