



Policies to Engage Postsecondary Education in State Economic Development

By Ashley Zaleski
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Confronted with the challenge of developing more globally competitive regional economies, policymakers have taken a renewed interest in the role of postsecondary education in state economic development strategies. The rhetoric around the importance of investing in postsecondary education to support regional economic needs is consistent across the nation. To date, however, there has not been wide agreement on the most effective strategies.

While states vary widely in their approach to economic development, there seem to be emerging trends in the approaches states are taking to engage postsecondary education in regional economic development, specifically in the fields of technology and innovation. A review of recent legislation suggests that states are implementing policies and making investments in the following three mechanisms:

- Collaborative research initiatives
- Workforce development programs
- Economic development boards, commissions or councils.

This StateNote describes these three policy mechanisms, highlights noteworthy policies that have been enacted and looks at a sampling of state policies enacted since 2004.

Collaborative Research Initiatives

Definition

Collaborative research initiatives focus on areas of primary and applied research that can contribute to regional economic growth. These initiatives range from university-based research grant programs to the creation of research and innovation centers and investments in research-related partnerships. A review of current legislation suggests that for many states the primary focus for research initiatives is in the areas of science and technology.

Example: The Arkansas Research Alliance

In 2007, Arkansas passed the Arkansas Research Alliance Act. This law authorizes and supports partnerships between university research and the private business sector. The purpose of an alliance is to create jobs, increase research and encourage economic development. The Arkansas Science and Technology Authority may recommend that a research alliance:

- Identify specific areas where scientific research and technological investigation may contribute to the creation and growth of knowledge-based and high-technology jobs in Arkansas
- Determine specific areas in which financial investment in scientific and technological research and development from federal agencies or private businesses located in Arkansas could be enhanced or increased
- Advise universities of the research needs of Arkansas businesses and improve the exchange of scientific and technological information for the mutual benefit of universities and private businesses

- Encourage collaborations among scholars and faculty of research universities in the areas of research identified by the alliance
- Recommend state investments in research infrastructure
- Certify investments in research infrastructure from the Arkansas Research Infrastructure Fund
- Monitor the growth in university research funding, the intellectual property creation, the licensing of technology to entrepreneurial firms and the existing Arkansas companies, the growth in venture capital investments in Arkansas, and the employment in knowledge based and high-technology employees.

Workforce Development Programs

Definition

State workforce development programs consolidate the training, student support programs and/or other educational measures necessary to facilitate development in workforce shortage areas. These programs may take the form of academies or centers, training sites, or other partnerships to maintain or attract new industries to the state. An analysis of current legislation suggests many states are focusing their economic development programs on improving language and technology skill sets.

Example: Illinois Mobile Response Training Pilot Program

In 2006, Illinois passed H.B. 5429, requiring the community college board to implement and administer a three-year, mobile-response, workforce-training pilot program at three specified community colleges in the state. As new technologies emerge in Illinois, the program will focus on the shortage of technological skill sets. The program uses a collaborative model to:

- Integrate mobile-workforce training with job creation and economic development
- Provide participating businesses with on-site training activities and resources
- Recruit, assess and train potential employees
- Develop and produce training materials
- Deliver customized services.

Example: Connecticut Center for Entrepreneurship

In 2006, Public Act No. 6-83 established the Center for Entrepreneurship which trains faculty and student “inventors” in commercialization and business. The Act also creates an entrepreneurial program, expands the school of business, and establishes an intellectual property law clinic at the law school to promote local business opportunities.

Economic Development Boards, Commissions, Councils

Definition

An economic development board, commission or council normally consists of a team of state education, business and legislative leaders in order to:

- Identify high-growth economic industries within the state
- Develop plans to increase the available economic development programs in colleges and universities
- Investigate new strategies and partnerships to develop and recruit new business and industries
- Advise legislative and educational bodies on the progress of economic development programs
- Evaluate the effectiveness of the system of career centers.

Example: Washington Committee on the Education of Students in High Demand Fields

In 2007, Washington passed legislation to develop a committee on the education of students in high-demand fields. Membership consists of members of the General Assembly, the Washington Higher Education Coordinating Board, the State Board for Community and Technical Colleges, the Workforce Training and Education Coordinating Board, the Office of the Superintendent of Public Instruction, as well as other members of the business and academic communities.

The broad-based committee was charged with developing a plan to increase the number of degrees in high-impact, high-demand areas of study. Together, members will develop a marketing project to inform students, parents and educators of opportunities in high-demand fields, investigate ways to motivate students to take more mathematics and sciences courses, and identify ways the business community can enter into more partnerships with the state. The committee will report its findings and recommendations to the Legislature by December 1, 2007.

Policies to Engage Postsecondary Institutions In State Economic Development

Highlighted below are a number of strategies involving higher education institutions and other agencies to plan for and develop statewide economic growth. In most cases, states implementing workforce development programs also created a council/board to govern or advise the programs. Most state policies involve partnerships between legislative bodies and postsecondary education representatives, as well as local business and industry professionals.

State	Citation	Collaborative Research Initiative	Workforce Development Program	Economic Development Board, Commission or Council	Partners
Arizona	Executive Order 2003-07 (2004)			X	<ul style="list-style-type: none"> Governor's Council on Innovation and Technology (University System of Arizona, Southern Arizona Technology Council, Arizona Technology Council, policy-level corporate executives, venture capital executives, other Governor appointees).
Arkansas	H.B. 2413 (2007) ARK. CODE. ANN. § 15-3-301	X			<ul style="list-style-type: none"> Arkansas Science and Technology Authority Academic community representatives Private business sector representatives
	S.B. 285 (2005) ARK. CODE. ANN. § 6-61-129		X ¹		<ul style="list-style-type: none"> Colleges and Universities in Arkansas Higher Education Coordinating Board Department of Higher Education Department of Economic Development Arkansas Science and Technology Authority

State	Citation	Collaborative Research Initiative	Workforce Development Program	Economic Development Board, Commission or Council	Partners
Connecticut	S.B. 702 (2006) Public Act 06-83		X		<ul style="list-style-type: none"> University of Connecticut Connecticut Center for Advanced Technology Technology-based companies
	S.B. 517 (2004) CONN. GEN. STAT. § 4-124W, FF		X ²	X	<ul style="list-style-type: none"> Council of Advisors on Strategies for the Knowledge Economy Office of Workforce Competitiveness (Director, Office of Workforce Competitiveness; Secretary, Office of Policy and Management; Commissioners of Economic and Community Development and Higher Education; Labor Commissioner; four representatives from the technology industry)
	S.B. 519 (2004) CONN. GEN. STAT. § 4-124DD			X	<ul style="list-style-type: none"> Connecticut Allied Health Workforce Policy Board Connecticut Career Ladder Advisory Committee
Hawaii	S.B. 907 (2007) HAW. REV. STAT. §2-20172, §2-201-73		X ³	X	<ul style="list-style-type: none"> Office of Aerospace Development University of Hawaii National Aeronautics and Space Administration Federal agencies and facilities Local companies Research institutions
Illinois	H.B. 5429 (2006) 110 ILL. COMP. STAT. 805/2-23		X		<ul style="list-style-type: none"> Illinois State Board of Education Illinois community colleges Governor General Assembly
Iowa	H.B. 617 (2007) IOWA CODE § 15.411			X	<ul style="list-style-type: none"> Governor appointees State legislators
	H.F. 2431 (2004) IOWA CODE § 262B.11	X ⁴		X	<ul style="list-style-type: none"> Department of Economic Development State Board of Regents Accredited Iowa public and private universities
Maine	Executive Order 23 FY 06/07			X	<ul style="list-style-type: none"> Council on Jobs, Innovation and the Economy Commissioner, Department of Economic and Community Development (Governor appointed members) Department of Administrative and Financial Services Director of the State Planning State Budget Officer Legislature Maine's university and community college systems

State	Citation	Collaborative Research Initiative	Workforce Development Program	Economic Development Board, Commission or Council	Partners
	H.P. 1399 (2004) ME. REV. STAT. ANN. TIT. 5 § 13161			X	<ul style="list-style-type: none"> • Governor • Legislature • Education, business and labor representatives
Michigan	S.B. 1288 (2006) MICH. STAT. ANN. § 408.111 , § 408.123			X ⁵	<ul style="list-style-type: none"> • Department of Labor and Economic Growth • Workforce Development Board • Education Advisory Group • Local boards of education
Mississippi	H.B. 973 (2004) MISS. CODE ANN. §37-153-7 §37-153-11		X ⁶	X	<ul style="list-style-type: none"> • Mississippi Work Force Development Council (Executive Director, Mississippi Development Authority and the Governor's private business sector appointee to the state council serve as co-chairs) • State Board for Community and Junior Colleges
New Hampshire	H.B. 499 (2007) N.H. REV. STAT. ANN. § 187-A:30	X			<ul style="list-style-type: none"> • University of New Hampshire • Director of the Technology • Transfer Office of Dartmouth College • Industrial and business community
New Mexico	H.B. 900 (2007) N.M. STAT. ANN. § 21-28-1 , 5, 6	X			<ul style="list-style-type: none"> • Board of Regents' appointed board of directors (may include the president of the university, the regents, officers and employees of the university, and other persons selected by the Regents)
	S.B. 169 (2005) N.M. STAT. ANN. § 21-11-8.5		X ⁷	X	<ul style="list-style-type: none"> • Technology Research Collaborative Board • Governor • New Mexico Institute of Mining and Technology • Public universities of New Mexico • State legislative members • Board of Regents • Sandia and Los Alamos National Laboratories
Ohio	Executive Order No. 14 (2007)			X	<ul style="list-style-type: none"> • Advisory Board (the Governor, members of legislative bodies, mayor/commissioners, State Departments of Aging, Development and Job and Family Services, the Board of Regents) • Local nonprofit and workforce boards • Higher institutions of Ohio • Businesses of Ohio
Oregon	S.B. 838 (2005) OR. REV.	X ⁸		X	<ul style="list-style-type: none"> • Governor • Engineering and Technology Industry Council

State	Citation	Collaborative Research Initiative	Workforce Development Program	Economic Development Board, Commission or Council	Partners
	STAT. § 284.706 , § 284.740				<ul style="list-style-type: none"> Private equity investment firms Traded sector industries Research institutions Public state colleges and universities
Rhode Island	H.B. 4544 (2007) R.I GEN. LAWS § 16-32.1-2	X			<ul style="list-style-type: none"> University of Rhode Island Board of Governors Technology industries of Rhode Island
Texas	H.C.R. 159 (2007)			X	<ul style="list-style-type: none"> Governor Lieutenant Governor Representatives approved by the State House and Senate Economic and academic communities of Texas
	H.B. 1765 (2005) TEX. CODE ANN. § 490		X		<ul style="list-style-type: none"> Governor Texas Higher Education Coordinating Board Texas Education Agency Texas Workforce Commission
Utah	S.B. 112 (2006) UTAH CODE ANN. § 63-38F-701	X			<ul style="list-style-type: none"> Utah State University University of Utah House and Senate legislative bodies
	H.B. 313 (2005) UTAH CODE ANN. § 53B-6-106		X		<ul style="list-style-type: none"> Utah Board of Regents' Utah College of Applied Technology Board of Trustees State system of higher education
Vermont	H.B. 433 (2007) VT. STAT. ANN. TIT. 10 § 531 (a)		X		<ul style="list-style-type: none"> Secretary of Commerce and Community Development Commissioner of Labor Commissioner of Economic Development Workforce Development Council Vermont employers Vermont colleges High schools and regional technical centers Community High School of Vermont.
	S.B. 312 (2006) VT. STAT. ANN. TIT. 16 § 2887			X	<ul style="list-style-type: none"> Vermont student assistance corporation University of Vermont Vermont State College members (appointed by the governor) Legislative members (appointed by president of the Senate and Speaker of the House of Representatives)

State	Citation	Collaborative Research Initiative	Workforce Development Program	Economic Development Board, Commission or Council	Partners
	H.B. 109 (2006) VT. STAT. ANN. TIT. 10 § 541			X	<ul style="list-style-type: none"> University of Vermont Vermont state colleges Vermont Student Assistance Corporation Association of Vermont Independent Colleges Abenaki Self Help Organization Representatives of labor (appointed by the governor)
Virginia	S.B. 40 (2006) VA. CODE ANN. § 22-231.30		X ⁹	X	<ul style="list-style-type: none"> Board of Directors (Governor approved nonlegislative members, members to be appointed by the Speaker of the House of Delegates; members to be appointed by the Senate Committee on Rules) Higher institutions of Virginia
Washington	S.B. 5731 (2007) WASH. LAWS 397			X	<ul style="list-style-type: none"> Members of the House and Senate Higher Education Coordinating Board State Board for Community and Technical Colleges Workforce Training and Education Coordinating Board Office of the Superintendent of Public Instruction Faculty and labor councils
	H.B. 1096 (2007) WASH. LAWS 277		X		<ul style="list-style-type: none"> College Board Business, Labor, and Workforce Training and Education Coordinating Board Local workforce development councils
Wisconsin	Executive Order No. 193			X	<ul style="list-style-type: none"> Secretary, Department of Commerce Secretary, Department of Administration Secretary, Department of Workforce Development Governor appointees

Notes

¹ Arkansas' S.B. 285 authorizes the Arkansas Higher Education Coordinating Board to create "centers of excellence" at colleges and universities in Arkansas. The legislation defines a "center of excellence" as a "consortium of two or more institutions of higher education working in collaboration with regional economic developers to address the workforce education and training needs of a region."

² Connecticut's S.B. 517 establishes a competitive "Innovation Challenge Grant" program to encourage partnerships between technology-based businesses and institutions of higher education. This legislation also creates the Council of Advisors on Strategies for the Knowledge Economy to advise the award process for the grant.

³ Hawaii's S.B. 907 establishes the Office of Aerospace Development. The legislation also promotes workforce development programs in the fields of aerospace and technology.

⁴ Iowa's H.F. 2431 establishes a Technology and Commercialization Resource Organization. The purpose of the organization is to implement research programs and recommendations. This legislation also designates a board to govern the organization in conjunction with the Board of Regents.

⁵ Michigan's S.B. 1288 creates the Michigan works one-stop service center system. The purpose of the system is to support local workforce development programs and services. This legislation also establishes and provides for local workforce development boards.

⁶ Mississippi's H.B. 973 establishes The Workforce Development Council. This legislation also creates workforce development centers to provide training and placement services.

⁷ New Mexico's S.B. 169 joins national laboratories and other major research institutes to, "create new intellectual property for the state and encourage new opportunities for business and increased jobs." This legislation also creates a board of the Technology Research Collaborative to advise and govern the initiative.

⁸ Oregon's S.B. 838 establishes a research center to encourage collaborative research initiatives among research institutions, the federal government and private industries. This legislation also establishes the Oregon Innovation Council to advise and oversee the performance of these projects.

⁹ Virginia's S.B. 40 creates the New College Institute. The purpose of the New College Institute is to develop the local economy by using the resources of postsecondary education and the private sector. This legislation also establishes a Board of Directors in order to govern, advise and administer functions of the New College Institute.

This StateNote was compiled by Ashley Zaleski, researcher at ECS.

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