



MEMORANDUM

To: CMAP Economic Development Committee

From: Alex Beata, Associate Policy Analyst

Date: October 8, 2013

Re: Updated Implementation Action Area Tables

As part of the GO TO 2040 plan update, the FY 2014 work plan calls for a review of the implementation action tables found at the end of each of the twelve chapters in GO TO 2040. Specifically, the work plan calls for these actions to be updated to reflect their implementation status. This project does not envision the drafting of new implementation action areas, but some actions may be added within the areas.

Over the past month, CMAP staff conducted an internal review to identify implementation examples for the plan's actions, focusing on work that CMAP has completed over the past three years. The attachment includes the results of this internal staff effort, limited to the GO TO 2040 chapters most relevant to each working committee.

At their October meetings, CMAP staff will actively facilitate conversations to help working committee members identify additional implementation examples for the relevant plan chapters, focusing on work completed by external partners. The Economic Development Committee will be asked to participate in a facilitated discussion and share examples on the plan's Human Capital recommendations and implementation actions, as well as the Reform State and Local Tax Policy recommendation. The recommendations, implementation actions, and examples from staff are included in this document.

ACTION REQUESTED: Discussion

Improve Education and Workforce Development

Implementation Action Area #1: Improve Coordination Between Education, Workforce Development, and Economic Development

| Action | Lead Implementers | Specifics |
|---|---------------------------|---|
| Prepare assessment reports on cross-system coordination | Nonprofits, philanthropic | Focus initially on the freight and energy industries of the economy; later expand to other industries. Identify and convene economic development, education, and workforce leaders in each industry, and determine areas of duplication or gaps. Summarize the conclusions of this work in a report for each sector with recommendations for next steps, including setting of common goals and pursuit of pilot programs to improve coordination. |

Implementation Examples:

- On a regional scale, both the Manufacturing and the Freight Cluster Drill-Down reports found examples of collaboration and coordination between education, workforce development, and economic development and recommended expanding these types of collaborations.
- CMAP has integrated assessments of cross-system coordination into several Local Technical Assistance projects, as well as the Cluster Drill-Down reports. These assessments are not as robust as described in the plan, though they leveraged related projects and resulted in a better understanding of existing coordination and opportunities for greater coordination.
- The Blue Island Comprehensive Plan was completed through the first round of LTA projects in 2012 and included an analysis of existing workforce development services and programs completed by Chicago Jobs Council. This assessment and an examination of development opportunities led to an implementation strategy to “create workforce training opportunities” and several actions that create linkages between economic development strategies and workforce development services.
- The Berwyn Comprehensive Plan found need for increased collaboration between regional businesses and non-profit training and education service providers. The plan calls for improved connections between workforce service providers and residents in need of workforce services.

| Action | Lead Implementers | Specifics |
|--|---|---|
| Expand on successful workforce development coordination programs | State (DCEO), community colleges, Workforce Investment Boards, economic development organizations | Build on successful programs like CWIC to expand it beyond the City of Chicago. Also build on the Shifting Gears initiative of the state's community colleges and DCEO's Critical Skills Shortage Initiative to expand them to cover additional industries. Expand other initiatives that engage the private sector and economic development organizations and strengthen partnerships between education institutions and the business community. |

Implementation Examples:

- In 2011, the City of Chicago and Cook County began work to combine three separate Local Workforce Investment Areas (LWIAs) – Chicago, Northern Cook and Southern Cook into the [Chicago Cook Workforce Partnership](#). The Partnership seeks to improve service delivery to residents seeking workforce looking for jobs, help to eliminate duplicate administrative costs across the LWIA system, making more funds available to be used in training and development programs.
- In 2012, the [U.S. Department of Labor](#) awarded \$12.9 million to expand Harper College's Advanced Manufacturing Degree and Training program to schools across Illinois, including many of the region's community colleges.
- The [Manufacturing Careers Internship Program](#), a partnership between education, workforce, and business, exposes young adults to careers in manufacturing. Recently the program has expanded to offer more opportunities for young adults to take part in internships and apprenticeship programs.

| Action | Lead Implementers | Specifics |
|--|--|--|
| Strengthen role of workforce intermediaries -- including community colleges, universities, proprietary schools, universities, apprenticeship programs, vocational programs, community based organizations, Workforce Investment Boards and Workforce Investment Act affiliates | Community colleges, nonprofits, other education, workforce and economic development groups | Expand programs that have succeeded at individual education institutions and training providers to be applied broadly across the region. Improve communication between education institutions and training providers through regional forums that also involve economic development groups. Increase the profile of workforce intermediaries as a critical link in the education and workforce development system. |

Implementation Examples:

- Through the LTA program, CMAP has helped the Golden Corridor Manufacturing Group develop into a more structured intermediary with specific goals and objectives. The group includes many employers, economic development practitioners, and education and training providers, so had the potential to act as a powerful intermediary. However, prior to CMAP’s assistance, the group did not have a formal structure or agenda and therefore was limited in its impact. The group is now transitioning to a more defined role and is better positioned to function as an intermediary and support the manufacturing industry.
- The newly formed Chicagoland Workforce Funders Alliance has focused its first grant on a type of intermediary for manufacturing. The Alliance, which includes nine foundations, is supporting an industry partnership for manufacturing. Chosen through an RFQ Process, a partnership between Illinois Manufacturing Excellence Center (IMEC), Manufacturing Works, and the Chicago Manufacturing Renaissance Council will act as an intermediary, connecting employers, education institutions, training providers, and economic development initiatives.
- The Chicago-Cook Partnership has expanded its capacity to connect to industry leaders and employers through its new Business Relations division. Several staff have been hired to serve as Industry Specialists and identify employers needs and use to inform the Partnerships’ programming and investment decisions.

| Action | Lead Implementers | Specifics |
|--|---|---|
| Collect, compile, and publicize career pathways analyses | Community colleges, nonprofits, philanthropic | Identify existing analyses of career pathways, or programs of education and training that prepare students for future employment in a certain field. Compile these and make them available to education institutions, workforce service providers, and employers. Update this compilation frequently to reduce duplication, and prepare new career pathways to eliminate any gaps in coverage of new or expanding industries. |

Implementation Examples:

- [Illinois Pathways](#), funded through Race to the Top, is a State of Illinois-led STEM education initiative designed to support college and career readiness for all students. Through a partnership between the State of Illinois' education and economic development agencies, Illinois Pathways aims to provide resources for students to explore STEM-related academic and career opportunities. It is also creating new statewide, public-private partnerships known as Learning Exchanges improve coordination of investments, resources, and planning for STEM programs.
- Workforce development practitioners in the region also have access to national data and resources through [the Career Pathways Community of Practice](#), administered by the U.S. Department of Labor's Workforce³One program.

Implementation Action Area #2: Data and Information Systems

| Action | Lead Implementers | Specifics |
|--|-----------------------------------|--|
| Launch and continually improve the Regional Indicators Project website | CMAP, the Chicago Community Trust | Develop and maintain a website that describes the tracking indicators and allows users to tabulate, graph, or map this information. The website will be continually improved to incorporate new data sets and new technologies as they become available. Education and workforce development indicators are among those featured on the website. |

Implementation Examples:

- CMAP released MetroPulse, the website of the Regional Indicators Project in 2010. Since then the website has gone through several iterations. The Chicago Metropolitan Agency for Planning (CMAP) and The Chicago Community Trust remain committed partners in the collection and distribution of public data to monitor progress on the region's most important issues—principally, through the performance of the GO TO 2040 comprehensive regional plan.
- Because good data becomes more accessible every year from institutions and government agencies, MetroPulse will henceforth narrow its focus to select indicators for monitoring the progress of GO TO 2040 implementation and progress on the Chicago Community Trust's community goals. This revised approach also promises to be more effective for the greatest number of users.
- CMAP has already released Community Data Snapshot reports on each municipality in the region and will be releasing similar reports on the City of Chicago's 77 community areas very soon.
- When fully implemented, MetroPulse will include narrative analyses and visuals on indicators of significance to a broader community of users and aligned with the priorities of GO TO 2040 and The Chicago Community Trust. To close the gap on user data needs, the site will provide categorized links to data from trusted sources selected by CMAP and The Chicago Community Trust.

| Action | Lead Implementers | Specifics |
|--|--|---|
| Identify additional data sources concerning education and workforce, including existing data and newly developed or innovative data measures | State (IDES, DCEO), CMAP, higher education institutions and community colleges | Analyze existing education and workforce information and data sources, including CWICstats, Illinois Department of Employment Security (IDES), DCEO, Illinois Community College Board (ICCB), Northern Illinois University (NIU), and Shifting Gears, among other sources. Identify barriers to making new data sources publicly available on the Regional Indicators Project website and determine incentives or mechanisms needed to overcome these barriers. |

Implementation Examples:

- Chicago Cook Partnership was awarded \$3 million grant from the Department of Labor's Workforce Innovation Fund. The grant will be used to create an Integrated Workforce Information System. The system is in development and the overall goal is that it will improve credential attainment, employment and earnings results for client customers by using data-based decision-making to improve the assessment of client skills and barriers, leading to improved referral of clients to services, training opportunities and job openings.
- In 2012 the U.S. Department of Labor awarded the State of Illinois Department of Commerce and Opportunity (DCEO) a \$1 million grant through the Workforce Data Quality Initiative (WDQI). The funding will allow DCEO to develop a longitudinal data system that includes unemployment insurance wage records, unemployment insurance benefit claims, data on workforce training programs and other data sources. The state is coordinating the development of this system with Illinois State Board of Education led State Longitudinal Data System.
- The Illinois P-20 Council continues to make recommendations to the Governor, General Assembly and state agencies to create a seamless system of education and support from birth to childhood. Data and metrics are included in the topics this group considers. The council is composed of members appointed by the Governor, from business, local government, universities, school boards, non-profit organizations, teachers, partners, and other stakeholders. <http://www2.illinois.gov/gov/P20/Documents/Full%20P-20/P-20%20Report%202013.pdf>

| Action | Lead Implementers | Specifics |
|---|--|--|
| Expand the CWICstats system to cover the region | CMAP, CWICstats leaders, WIBs, education institutions, workforce providers | The CWICstats program tracks education and training participants as they move through public education, workforce development, and other social service systems. It promises to be an extremely useful data source for monitoring program effectiveness, but currently only covers the City of Chicago. There are significant barriers to expanding it, including institutional coordination, data management, and cost; these should be scoped in partnership with current CWICstats leaders and potential participants outside of Chicago. |

Implementation Examples:

- CWICstats, the Chicagoland Workforce Information Collaborative at Chapin Hall, has evolved and expanded its scope since its original inception in 2010. Research efforts have evolved into specific projects to link and analyze data for particular agencies or programs rather than a comprehensive, system-wide scope, which was the objective of the original CWICstats effort.
- The Metropolitan Chicago WIA-Training Resource Guide includes information on WIA certified training programs, including the location and type of programs offered, employment and wages of each program’s graduates, customer feedback, occupational labor market information. The online portal [website](#) began with Chicago, but has expanded to the metropolitan area to include, Cook, DuPage, Lake, McHenry, and Will Counties.

| Action | Lead Implementers | Specifics |
|---|---|---|
| Expand the Student Information System beyond K-12 education | State (ISBE), early childhood educators, higher education institutions, workforce providers | Implement the Student Information System to track student performance over their educational careers, including data beyond academic achievement. Expand this to coordinate with early childhood education, higher education, and workforce development data systems. |

Implementation Examples:

- The Illinois State Board of Education was awarded nearly \$20 million in federal grants to develop the State Longitudinal Data System, which will integrate the Student Information System as well as numerous other data systems. The initiative will link many data sources and improve the ability of researchers to answer complex questions regarding the outcomes and impact of education and training programs. There are challenges to ensuring the system provides benefit to the greatest number of end-users, and CMAP has helped convene end-users to communicate their data and information needs.
- The Illinois Collaborative for Education Policy Research (ICEPR) is a network for state agencies, universities, researchers, and others that are working together to formulate a research agenda to utilize the state’s education and workforce data systems. The ICEPR was launched in 2012 as part of Illinois’ Race to the Top Grant. <http://ocrl.illinois.edu/collaboration-and-statewide-research-agendas/>

| Action | Lead Implementers | Specifics |
|---|---|--|
| Create measures of school readiness to improve early childhood education programs | State (ISBE), early childhood educators | Create a measure of school readiness for students entering kindergarten. Use this to evaluate the effectiveness of various early childhood education programs at preparing students for success in school. Link this assessment with the Student Information System described above. |

Implementation Examples:

- An Illinois State Board of Education steering committee of local and national experts crafted a tool to measure school readiness for students entering Kindergarten. The [Kindergarten Individual Development Survey](#) is in pilot phase of [implementation](#).

Implementation Action Area #3: Improve Delivery of Workforce Development Services

| Action | Lead Implementers | Specifics |
|--|--|--|
| Increase the flexibility and federal funding for workforce development and increase flexibility of State discretionary workforce funds | Federal, State (DCEO), WIBs, workforce providers | Modify the requirements of WIA funding to allow workforce boards to exercise more flexibility in how these funds are used. Permit differences in how WIA funds are used between regions to reflect their different economic profiles and related training needs. |

Implementation Examples:

- The Department of Labor has dedicated a greater portion of federal WIA dollars to be distributed through competitive grants. The Chicago region has responded and won several of these grants. Harper College led a consortium of community colleges in a successful application for \$12.9 in funding to create the Illinois Network of Advanced Manufacturing. The Calumet Green Manufacturing Partnership was funded by the Department of Labor’s Green Jobs Innovation Fund.
- Through its Learning Exchanges program, DCEO has issued several competitive RFPs to fund partnerships focused on specific industries. The Learning Exchanges create curriculum, online tools and information, expand internships, and support several other strategies to better prepare the workforce.

| Action | Lead Implementers | Specifics |
|--|--------------------------|---|
| Investigate the use of other funding sources for workforce development | Nonprofit, philanthropic | Explore the use of more flexible funding sources such as CDBGs to be used more extensively for workforce development. Create a region-wide documentation of existing public funding streams to allow the development of specific recommendations for funding changes. |

Implementation Examples:

- In 2012, the Workforce Boards of Metropolitan Chicago published a region wide report on public funding streams for workforce development. The report, "[An Analysis of Public Workforce Development Resources](#)" was funded by a grant awarded to the Metro WIBs by DCEO. The report documents the amount of public investment in the region’s workforce system, describes the types of services and service providers, the target population, and includes recommendations.
- In 2012, the several Chicago area foundations launched the Chicagoland Workforce Funders Alliance. By working together and pooling resources, the Alliance is able to address complex and regional workforce challenges. The funding partners include the Boeing Company, the Chicago Community Trust, the Joyce Foundation, JP Morgan Chase, Polk Bros. Foundation, The Pritzker Traubert Family Foundation, the McCormick Foundation, and United Way of Metropolitan Chicago.
- The City of Chicago contributed \$25 million from the lease of city parking meters to fund the Chicago Career Tech program over three years. The program will serve dislocated middle-income workers in Chicago. The intensive program provides a 6-month, 6-day a week training program plus a training stipend for participants.

| Action | Lead Implementers | Specifics |
|--|------------------------------|---|
| Monitor impact of more flexible funding and communicate outcomes | Federal, workforce providers | The outcomes of modified policies and funding streams should be result in better matches in workforce skills and business needs. Routine and regular monitoring of effectiveness in meeting regional goals will be an ongoing activity. |

Implementation Examples:

- New data systems will expand the current capacity to track outcomes and communicate the impact of grants and flexible funding. For example, Chapin Hall, along with many other stakeholders, has been engaged with the City of Chicago as part of the Thrive Chicago: Cradle to Careers effort, which will track progress toward achieving education and employment outcomes and indicators. Annual dashboards will be produced, starting in the fall of 2013.
- Chapin Hall led the Chicago Career Tech Job Training Program Evaluation. The Chicago Career Tech program was an innovative technology training program launched in 2011, described above. The evaluation consists of three components: web surveys to assess immediate employment outcomes, quantitative analysis of individual-level pre- and post-program quarterly employment and wage data, and quasi-experimental quantitative analysis of individual-level employment and wage outcomes of Chicago Career Tech participants in relation to a matched comparison sample of WIA training participants
- Supported by a U.S. Department of Labor Workforce Innovation Fund grant, The Chicago Cook Workforce Partnership is developing the new Integrated Workforce Information System (IWIS). IWIS will serve as an integrated management information system that will for the first time collect information across programs and organizations on all those being served by the workforce development system in Chicago and Cook County, including those whose services are supported by public or private funds. IWIS will serve as a resource to service providers, funders, and program managers to improve service provision and also allow for the use of IWIS data for improved program performance management. IWIS will be developed and implemented during through 2014 and into early 2015.
- The DCEO STEM Learning Exchanges are tasked with reviewing performance of STEM Programs of Study through assessments and working with school partners to continuously improve performance.

| Action | Lead Implementers | Specifics |
|--|---|--|
| Strengthen community-focused provision of workforce services | State (DCEO, Governor’s Office), community based organizations, business community, WIBs, other workforce funders | Continue offering workforce development services through community-based organizations, in conjunction with other services. Evaluate local community-focused programs, determine which approaches are most effective, and promote further use of these programs. |

Implementation Examples:

- In 2012, Chapin Hall completed a report identifying successful workforce development programs and exploring what makes them succeed, and how the factors that contribute to success can be measured to help improve the workforce development system. The report, [“Inside the Black Box: What Makes Workforce Development Programs Successful?”](#) includes several recommendations, including the improved data systems to more accurately measure program impact and outcomes.
- Numerous innovations and partnerships are expanding and strengthening community focused workforce services. For example, the Calumet Green Manufacturing Partnership (CGMP) is a collaborative effort focused on supporting and enhancing the manufacturing industry in South Suburban Cook County and the south side of Chicago. By building partnerships between employers, the public workforce system, and training providers, the CGMP develops the skills of the local workforce to meet the labor needs of local manufacturing companies, with an emphasis on green skills, industries and manufacturing practices.

Support Economic Innovation

Implementation Action Area #1: Improve Data and Information Systems

| Action | Lead Implementers | Specifics |
|--|---|---|
| Evaluate the success of state innovation programs and financial incentives | State (DCEO, and other relevant state agencies) | The history and impacts of state programs and incentives for innovation should be evaluated. Such an evaluation can inform the re-creation of certain programs, like ITEC and Innovation Challenge grants, which have experienced funding cuts in recent years. The State should also evaluate current programs, like IEN as well as the range of other financial incentives and services offered to entrepreneurs and businesses. There is good evidence that many of these state programs have been quite successful -- these successes need to be better documented and publicized to inform future state legislation. |

Implementation Examples:

- CMAP is conducting research on the role of state and regional governments in planning for economic development opportunities. This includes best practices in economic development programs from around the country as well as how the region and state' current incentive programs can respond to new global dynamics.
- Additionally, CMAP's [Examination of Local Economic Development Incentives in Northeastern Illinois](#) report analyzes the prevalence, structure, and goals of local financial incentives including sales tax rebate, tax increment financing, property tax abatement, and property tax incentive classifications unique to Cook County.
- The Illinois Science and Technology Coalition is investigating state innovation programs focused on the biotech and health sciences cluster.

| Action | Lead Implementers | Specifics |
|--|------------------------------|--|
| Collect data relative to innovative business starts and closures in the region | CMAP, WBC, InnovateNow, IDES | Currently there is no solid information about how innovations translate into larger economic effects, such as jobs and business starts. CMAP should measure the number of new innovation start-up firms and jobs created (a similar measurement was developed by San Diego's CONNECT program). This is the best way to track the growth in new firms, as well as their longevity. This information should also have useful research consequences beyond the study of innovation. |

Implementation Examples:

- The [Illinois Innovation Index](#) measures start-ups as part of its assessment of the business climate. Data shows the number of startups by industry and how the Chicago region compares to our peer regions.
- Since 2011, Built in Chicago has been measuring the number of digital startups each quarter and compiles the totals in an annual report. The [quarterly and annual reports](#) also track the funding raised by startups, number of jobs at startups, and the number of acquisitions.

| Action | Lead Implementers | Specifics |
|---|--|--|
| Collect and analyze other pertinent data related to innovation outcomes | CMAP, WBC, InnovateNow, CMRC, IDES, additional outside experts | CMAP can serve a vital role as a central repository for the collection of data related to innovation. CMAP should also consider how to best measure success through this data -- other groups have created weighted measures of a variety of variables -- an "innovation index" -- which can work to measure future success. |

Implementation Examples:

- Since 2011, CMAP has collaborated with World Business Chicago, the Illinois Science and Technology Coalition, and the Chicagoland Chamber of Commerce to create the Illinois Innovation Index. In its first year, the partners released a monthly newsletter examining a different innovation indicator, including exports, small business funding, patents, R&D funding, cluster trends, and several others. The group published an annual report compiling all the indicators in one document. Beginning in 2013, the group has issued shorter monthly updates, and focused on more robust analysis in a quarterly newsletter. Each quarter focuses on a different theme: Capital, Dynamism, Business Climate, and Talent.

| Action | Lead Implementers | Specifics |
|---|---|--|
| Research and redesign technology transfer evaluation criteria | State (DCEO), technology transfer programs at universities and other institutions | There is some evidence that innovators are changing their products to be responsive to the criteria by which technology transfer programs are judged. This is likely inefficient. Alternative metrics that better reward commercialization of new innovations should be explored. Applied research should be carried out by interviewing tech transfer officials and researching other evaluation metrics. |

Implementation Examples:

- CMAP published the freight cluster drill-down in 2012 and the manufacturing cluster drill-down in 2013. Together these analyses call attention to commercialization challenges between basic research and marketable products, and provide steps to increase technology transfer through increased private-sector participation in key technology specializations.
- Together with its partners, CMAP tracks technology transfer metrics and news as part of the Illinois Innovation Index. This includes technology licenses and revenue, academic patent output, and university start-ups.
- In its economic development work CMAP has called attention to the region and state’s underperformance in the federal SBIR/STTR technology transfer programs, highlighting the need to better engage the region’s numerous small-sized firms in commercialization activities. The Illinois Science and Technology Coalition has also undertaken work to improve small firm’s technology transfer competitiveness through SBIR and STTR.

Implementation Action Area #2: Nurture the Region's Industry Clusters

| Action | Lead Implementers | Specifics |
|--|--|--|
| Form coalitions around the region's vital industry clusters to organize regional strategies and obtain public and/or private funding | State (DCEO), CMAP, local governments, nonprofits (Chicagoland Chamber, CMC, MEGA, World Business Chicago), Chicago Fed, workforce boards, philanthropic organizations | The region should use its various clusters of regional specialization as an overarching organizing framework for future coordination, collaboration, and proactive initiatives, including organizing around potential funding opportunities such as the reauthorization of America COMPETES, which should include funding for a Regional Innovation Clusters Initiative. Build public/private coalitions to attract funding and involve research labs and universities as appropriate. Illinois CleanTech, hosted by the Chicagoland Chamber, is a recent initiative that may be a model for such future activity. |

Implementation Examples:

- An interstate coalition of universities, private firms, educators, public agencies, and civic organizations was established to garner federal support to expand the mega-region's innovation assets and grow the nation's second largest manufacturing cluster. In Illinois, efforts were coordinated through the Illinois Science and Technology Coalition and World Business Chicago; CMAP's Economic Development Committee was engaged in this process. In 2013, the coalition organized a mega-regional application for pending federal National Network for Manufacturing Innovation funding to build an innovation accelerator.
- Strategies are also underway to support the region's transportation and logistics companies. World Business Chicago's "[Plan for Economic Growth and Jobs](#)," prompted the development of several stakeholder-led groups to identify challenges and opportunities among the City and Region's key industries and growth areas. One such group, WBC's Transportation and Logistics Strategy Team, will help develop a strategy to elevate the Chicago region's status the nation's transportation and logistics hub, with goals to increase local business and jobs, and partner with universities and colleges to better target funding and build a workforce tailored to this industry.
- CMAP is involved with two efforts to better coordinate workforce funding and training. CMAP's Local Technical Assistance program is assisting the [Golden Corridor Manufacturing Group](#) to better coordinate industry partners and educators on addressing workforce needs of the I-90 manufacturing corridor. Additionally, CMAP is engaged with the Chicago Workforce Alliance Industry Partnerships which coordinates the workforce grant making for several area foundations and strategically engages and supports key industries.

| Action | Lead Implementers | Specifics |
|--|--|--|
| Perform a “drill down” analysis into specific established industry clusters, including freight/logistics, advanced manufacturing, and biotech/biomed, as well as emerging clusters such as green technology and energy | CMAP, Chicago Fed, regional leaders or coalitions around industry clusters | Industry clusters have been researched extensively, but many gaps, practical linkages and pertinent policy responses remain poorly understood. CMAP should direct research toward “drilling down” into specific industry clusters and groups of interrelated firms in the fields of freight/logistics, energy and advanced manufacturing, and biotech/biomed, for starters. Analyses will present data specific to these clusters, identify infrastructure, workforce and financing needs, present strategies for coordination and communication, and make policy recommendations. |

Implementation Examples:

- CMAP published the Freight Cluster Drill-Down in 2012 and the Manufacturing Cluster Drill-Down report in 2013. The reports define the cluster, examine recent trends, and consider the impact major national and international developments have on these clusters regionally. Using both quantitative data and information gathered through qualitative research and interviews, the reports include an analysis of the key challenges and opportunities regarding infrastructure, workforce, and innovation. The reports then describe priority areas and next steps to strengthen these clusters.
- Through late 2012 and early 2013, the Workforce Boards of Metropolitan Chicago in partnership with the Metro Economic Growth Alliance of Chicago (MEGA) have published reports on four industry clusters: Biomedical and Life Sciences; Business, Technical and Financial Services; Manufacturing; and Transportation and Logistics. These reports describe the clusters’ key strengths, value chain, occupational opportunities, and market opportunities,

Implementation Action Area #3: Increase the Commercialization of Research, Target Investment Decisions, and Pursue New Financing Opportunities

| Action | Lead Implementers | Specifics |
|--|--------------------------------|---|
| Bolster or reinstitute successful State programs which assist entrepreneurs and create linkages between researchers and the private sector | State (General Assembly, DCEO) | State elected officials should bolster or reinstitute state programs with a track record of success in assisting entrepreneurs with critical business startup and marketing needs, locating pre-seed and early stage financing, furthering technical or managerial skills, and assisting with new product development and marketing. IEN is one current program along these lines. In addition, the ITEC programs previously awarded funding that could be used to put together documentation for venture capital or “angel” investors, apply for federal SBIR money, apply for a patent, or put together a business plan. ITEC is currently unfunded by the State. |

Implementation Examples:

- The University of Illinois has released plans to open a research laboratory in Chicago that combines private funding with university expertise in key innovation areas. The lab will join basic research with real-world problems, creating a clear linkage between researchers and the private sector. The University of Illinois has also partnered with numerous public and private entities to organize the region around a National Network for Manufacturing Innovation center that would draw on the region’s advanced manufacturing cluster.
- In addition to the proposed university labs, the state of Illinois is involved in several other partnerships supporting innovation. One example is the Joint Center for Energy Storage Research, a public-private partnership housed at Argonne National Laboratory focused on advancing battery technology and transferring these breakthroughs into the market through licensing.

| Action | Lead Implementers | Specifics |
|---|--------------------------------|---|
| Re-institute the Illinois Innovation Challenge Matching Grant program | State (General Assembly, DCEO) | Some version of the Innovation Challenge Matching Grant program should be reinstated to provide matching funding for federal SBIR and STTR recipients. SBIR and STTR are federal programs funding small businesses working with universities. |

Implementation Examples:

- The [Illinois Science and Technology Coalition](#) analyzed the need to incent and attract federal SBIR and STTR dollars to our state’s economy. In 2012, Illinois businesses won 121 SBIR and STTR awards, totaling approximately \$41 million dollars, in early stage federal funding for feasibility (Phase I) and prototyping (Phase II) projects. ISTC reports that SBIR Phase I awards of up to \$150,000 make up the majority of awards whereas SBIR Phase II awards, which can be as high as a million dollars, account for over half of the total value of all awards.

| Action | Lead Implementers | Specifics |
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| Explore the creation of a major new venture capital fund, at the regional or mega-regional level | State (Governor's office, DCEO), the business community, the Federal Reserve Bank of Chicago, nonprofits, I2A fund, philanthropic organizations | A new venture capital fund should be created to help investors and entrepreneurs create and grow profitable businesses in the metropolitan Chicago region and potentially beyond. The fund should be managed and operated by a private firm, but exploration should be done first by government, civic organizations, foundations, and the private sector. The fund should be targeted toward clusters of regional specialization. A range of private and public revenue sources should contribute to such a fund, and philanthropic organizations can play a large role. |

Implementation Examples:

- In 2012, DCEO launched the Invest Illinois Venture Fund, a new venture capital fund that seeks to support young, innovative companies that show high potential for growth. The fund is part of a larger \$78 million initiative called Advantage Illinois, which includes several funding options for small businesses. The funding came from an initiative within the federal Small Business Jobs Act signed into law in September 2010.
- Also launched in 2012, the FireStarter Fund is a group of Chicago based investors focused on supporting the digital technology field. The fund can make investments in companies throughout the U.S. but all the investors are based in Chicago so it is anticipated the investments will be concentrated in the Chicago area and upper Midwest.

| Action | Lead Implementers | Specifics |
|---|--------------------|---|
| Create a more robust national innovation policy | Federal (Congress) | Provide more incentives for public/private collaboration around innovation. Provide federal funds that can be leveraged with private resources. Provide competitive funding for regional approaches around specific industry clusters. Many of these types of approaches are being discussed as part of the upcoming reauthorization of America COMPETES, a federal technology, research and education act. |

Implementation Examples:

- The Obama administration has launched several initiatives that signal a more robust approach to promoting innovation. Originally launched in 2010, the i6 challenge continues to grow and included a new competition in 2012. The program is funding six new partnerships with a \$1,000,000 grant to establish proof-of-concept centers to support innovators and researchers, expand access to capital, and connect entrepreneurs with the resources they need to grow.
- The Jobs and Innovation Accelerator Challenge brings together several federal agencies to support regional industry clusters. In 2012, the initiative focused on advanced manufacturing and emphasized the importance of public-private partnerships. A proposal from the region was submitted but was not successful. Ten projects were selected and each was awarded approximately \$2,000,000.

Since the implementation of GO TO 2040, the America COMPETES Act of 2007 was reauthorized. The America COMPETES Act of 2010 is set to expire in 2013. Implementation Action Area #4: Create a Culture of Innovation

| Action | Lead Implementers | Specifics |
|--|---|---|
| Research, compile, and publicize examples of successful innovation | State (DCEO), nonprofits (Chicagoland Chamber, CMC, MEGA, World Business Chicago) philanthropic, private sector, universities | Innovation success stories should be collected and publicized. Commonalities of these experiences should be emphasized, and the role of experimentation and perseverance must be taught so that workers, entrepreneurs, and sources of funding see experimentation as an important stepping stone to innovation and growth. |

Implementation Examples:

- Each year the Chicago Innovation Awards celebrates innovation in the region by recognizing the most innovative new products and services introduced in metropolitan Chicago. Now in its 12th year, the award program provides many benefits—in addition to raising awareness on the innovative companies in the region, winners get access to publicity as well as training and mentoring opportunities.
- Techweek, Inc. holds a Chicago convenes entrepreneurs, researchers, and other innovation leaders through a week-long conference and expo.
- Formed by the Governor to foster innovation in the state, the Illinois Innovation Council promotes the role of innovation in economic growth, convenes academia, business and government, and recommends criteria to measure success.
- CMAP participates in the Illinois Innovation Index, a monthly publication that investigates, compiles, and publicizes innovation metrics and news in the state and region. Each issue includes a “spotlight” highlighting an innovative company or other recent development that demonstrates the region’s ability to foster innovation.

| Action | Lead Implementers | Specifics |
|---|---|---|
| Expand and link innovation related training | Nonprofit (Chicagoland Chamber, MEGA, World Business Chicago), universities | There are multiple conferences and educational programs that support innovative thinking in the region. These programs should be expanded to reach wider audiences. Educational programs, conferences, and innovation competitions should also be linked so that budding innovators can interact across fields and disciplines to share experiences and foster further innovative thinking. |

Implementation Examples:

- Several organizations focus on supporting entrepreneurs involved in innovation and helping them thrive. Chicago Innovation Mentors provides innovation training to startups. Clean Energy Trust offers business development support in clean energy startup. Built In Chicago also supports conferences and education in digital startup space.
- Based in the Illinois Science and Technology park located in Skokie, the Oakton Community College nanotechnology education division has recently launched the Nanotechnology Employment, Education, and Economic Development Initiative (NE3I). The program will engage local high schools, provide hands on learning experiences, and include a certificate program.

| Action | Lead Implementers | Specifics |
|---|-------------------|--|
| Reorient philanthropic giving toward innovation | Philanthropic | The region's foundations are a strong asset and to date have funded extensive efforts in education, arts and culture, and human services. Focusing more on the regional economy and innovation makes sense on many levels for foundations, as these are truly the catalytic investments which can help the region sustain a high level of prosperity and vitality. Foundations can work to support those groups working to organize regional initiatives and policy around a "cluster approach." |

Implementation Examples:

- [Chicago Innovation Foundation](#) draws on philanthropic donations to fund Innovation Awards, recognizing the businesses and individuals from across the region that are developing breakthrough products and technologies.
- Area foundations are investing in innovation. For example, the MacArthur Foundation has made awards to the Chicago Innovation Foundation and Smart Chicago, a civic organization devoted to improving lives in in Chicago through technology.

| Action | Lead Implementers | Specifics |
|---|--|---|
| Identify opportunities for state and local regulatory reform and modernize local ordinances | State (DCEO), municipalities, nonprofits (Chicagoland Chamber, MEGA, World Business Chicago), the business community | Review and implement reforms in existing state and local regulations, especially in areas of rapidly changing technology and changes in federal regulation. Convene innovative companies to learn about potentially limiting local regulations or ordinances. Provide model ordinances that contain language about up-to-date regulation and how to keep it updated. Review validation, information sharing, and technical assistance programs for new technology development and implementation. Recommend updates as appropriate. |

Implementation Examples:

- The [Plan for Economic Growth and Jobs](#) by World Business Chicago identifies permitting and regulations as a barrier to business growth. Firms cite costly and time consuming bureaucratic processes and regulations as barriers to innovation and commercialization. For example, the plan describes how manufacturers must interact with numerous city departments as well as their local alderman to address zoning, services, and regulation. The implementation of the plan’s 10 strategies is underway and will work to address these regulatory issues.

Reform State and Local Tax Policy

| Action | Lead Implementers | Specifics |
|-------------------|-------------------|---|
| Create Task Force | CMAP | Membership on the task force should include local governments, academic experts, civic organizations, and the business community. The CMAP Board will have ultimate discretion in terms of recruiting, forming, and managing this group. CMAP will provide staff support to the task force and CMAP staff will lead the development of policy briefs, reports, and analysis on these matters. |

Implementation Examples:

- CMAP's [Regional Tax Policy Task Force](#) convened in 2011 and issued a final report to the CMAP Board in January 2012.

| Action | Lead Implementers | Specifics |
|---|---|--|
| Evaluate state and local revenue sharing criteria with particular emphasis on the sales tax | Task Force, CMAP Board, State, counties, municipalities | More than \$4 billion in state tax revenue, much of which is made up of sales tax, is disbursed annually to local governments in northeastern Illinois. Evaluate state/local revenue sharing criteria including the sales tax, income tax, personal property replacement tax, and MFT. The task force should analyze the fiscal, economic, and equity impacts of altering disbursement criteria and make appropriate recommendations to the state and/or propose regional or subregional actions. The sales tax disbursement, which is based on local retail sales, should receive particular emphasis. Prepare detailed recommendation. |

Implementation Examples:

- CMAP’s Regional Tax Policy Task Force evaluated state revenue sharing criteria, and made several recommendations. Regarding state sales tax revenue sharing, they recommended that the CMAP Board continue to analyze the effects of sales tax revenue sharing criteria and consider new approaches to the allocation of new or increased revenue streams that encourage regional cooperation and broader development goals, but avoid redistributing existing revenues. In terms of state income tax revenue sharing, the Task Force recommended that CMAP support the continuation of sharing the revenue with municipalities and counties on the basis of population. For personal property replacement tax revenue sharing, the Task Force recommended that CMAP support reform of the system in a manner that reflects the region’s changing demographics and needs. The Task Force also recommended that CMAP review the efficiency of state motor fuel tax revenue sharing.

| Action | Lead Implementers | Specifics |
|--|--|--|
| Evaluate property tax classification and the property tax extension limitation law | Task Force, CMAP Board, State, Cook County | Evaluate the property tax classification system in Cook County and propose reform, where appropriate. Special attention should be paid to impacts on businesses and households as well as residential and commercial location decisions. Evaluate the impacts of PTELL on local government revenues and services and propose reform, where appropriate. Prepare detailed recommendation. |

Implementation Examples:

- CMAP’s Regional Tax Policy Task Force evaluated both property tax classification and the property tax extension limitation law. The Task Force recommended that CMAP support policies that phase out property tax classification in Cook County, but over a period of years in order to allow residential taxpayers to adjust to the increased burden.

| Action | Lead Implementers | Specifics |
|--|-------------------------------|---|
| Evaluate expanding the sales tax to the service sector | Task Force, CMAP Board, State | Evaluate the impacts of extending the sales tax to some services. Highlight the economic and equity impacts of extending the tax to particular services, but not others. Prepare detailed recommendation. |

Implementation Examples:

- CMAP’s Regional Tax Policy Task Force evaluated the impact of extending the sales tax base to additional services and recommended that CMAP support tax policies that broaden the sales tax base to more services as a way to respond to changing consumption patterns, with a focus on lowering tax rates.

| Action | Lead Implementers | Specifics |
|--|-------------------------------|---|
| Evaluate the efficiency and equity of the state income tax | Task Force, CMAP Board, State | Evaluate the impacts of graduating the state income tax by applying marginal rates for different tax brackets. Also evaluate the relatively narrow nature of the state's income tax base, given its exemptions for retirement income, particularly public and private pensions.. Prepare detailed recommendation. |

Implementation Examples:

- CMAP's Regional Tax Policy Task Force evaluated the state income tax base and recommended that CMAP pursue policies that lead to a broadening of the individual income tax base to include retirement income in conjunction with policies that lower tax rates in the state.

| Action | Lead Implementers | Specifics |
|--|---|---|
| Evaluate the various ramifications of local tax capacity | Task Force, CMAP Board, State, counties, municipalities | Evaluate the overall equity impacts of the tax system in northeastern Illinois. Recommend tax and other fiscal reforms that promise to increase equity without sacrificing regional economic productivity. Prepare detailed recommendation. |

Implementation Examples:

- CMAP’s Regional Tax Policy Task Force evaluated the impact of variations in local tax capacity. They recommended that CMAP should consider that when differentials in tax capacity are extreme, the entire region’s capacity to attract and maintain business investment may be affected, and that CMAP support policies that provide for regional needs.