Regional Innovation Clusters

Ginger Lew
National Economic Council

University of Arkansas
March 9, 2010
Goals & Outcomes

• Encourage collaboration at the regional level – such as workforce development partnerships; co-planning between EDA, MEP, SBA and regional partners; linking supply and demand with the job cycles of the cluster

• Promote collaboration at federal and regional levels to link, leverage and align federal, state and regional resources

• More effective use of existing dollars

• Develop a replicable joint funding template that can be used

• President’s FY2011 budget has $300M+ RIC funds for EDA, SBA, DOL, and USDA.
RIC Operations

Sources of Capital

Workforce Development & Training

Universities

Nonprofits

Community & Technical Colleges

Public Infrastructure

Local & State Gov’t

Labor Organizations

Federal Agencies

Support Industries

Driver Industries

Suppliers

Customers
E-RIC Participating Agencies

- Department of Energy (DOE)
- Department of Commerce (DOC):
  - Economic Development Administration (EDA)
  - Manufacturing Extension Partnership (MEP)
- Small Business Administration (SBA)
- Department of Education (ED)
- Department of Labor (DOL)
- National Science Foundation (NSF)
**Purpose:**

- Spur economic development and job creation in the field of energy-efficient building technologies

- Supported through resources and leveraged funding of seven federal agencies’ investments in technology development and business development, with support for workforce development and education.

- These agencies are encouraging consortia from regions across the country to compete for a combined investment as a RIC specializing in energy-efficient building technologies.
The Energy Efficient Building Systems Cluster

- DOE is providing *Energy Efficient Hub* for the E-RIC. The Hub is funded at $22 million in its first year and up to $25 million each additional year for four years.

- The Hub will develop systems-based approaches to designing commercial and residential buildings that integrate windows and lighting, natural ventilation and HVAC, thermal inertia, on-site energy generation and other factors.

- DOC (via EDA and MEP) and SBA are providing and coordinating grant funds to encourage regional partnerships to support the Hub and Regional Cluster.

- ED, DOL, and NSF are committed to supporting collaboration between the Consortium and recipients of funding under complementary, existing programs administered by these agencies.
E-RIC Goals

- Improve energy-efficient building systems design, enhancing America’s economic, technological and commercial competitiveness on a global stage;

- Create and retain good jobs;

- Eliminate the gap between the supply and demand for workers in specialized fields through training and education, while stimulating the youth and adult education pipelines to produce good trainees;

- Increase regional gross domestic product;

- Promote the advancement of science and technology; and

- More closely align community college/technical training with regional business needs for skilled workforce.
E-RIC Operations
### Examples of Participating Entities

<table>
<thead>
<tr>
<th>DOE Co-Applicant (Hub)</th>
<th>EDA Co-Applicant</th>
<th>NIST Co-Applicant</th>
<th>SBA Co-Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>National energy labs</td>
<td>State and local governments</td>
<td>Pre-designated MEP Centers</td>
<td>Pre-designated SBDCs</td>
</tr>
<tr>
<td>Universities</td>
<td>Universities</td>
<td>MEP centers may include:</td>
<td>SBDCs may include:</td>
</tr>
<tr>
<td>Private industry labs</td>
<td>Regional government coalitions</td>
<td>Nonprofit organizations</td>
<td>Universities</td>
</tr>
<tr>
<td></td>
<td>Nonprofits working with local governments</td>
<td>Universities</td>
<td>Nonprofit organizations</td>
</tr>
<tr>
<td></td>
<td>Tribes</td>
<td>Community colleges</td>
<td>Community colleges</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State government organizations</td>
<td>State government organizations</td>
</tr>
</tbody>
</table>

### E-RIC Partners

*Please see the FOA for more examples*

#### DOL-Funded E-RIC Partners
- Workforce investment boards
- One-stop career centers
- Registered apprenticeship programs
- Community-based organizations
- Community colleges

#### ED-Funded E-RIC Partners
- Community colleges and other postsecondary institutions
- Career and technical colleges
- Adult education centers
- Secondary career and technical programs and schools

#### All Other E-RIC Partners
- Local, state, and regional government entities
- Private sector entities
- Nonprofit community organizations
- Labor organizations

### Stakeholders

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Private sector (e.g., businesses, venture capitalists, business councils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood associations and resident community groups</td>
<td>Local nonprofits and foundations</td>
<td>Labor organizations</td>
</tr>
<tr>
<td>Tenant advocacy groups</td>
<td>Local, regional, and state government entities</td>
<td></td>
</tr>
<tr>
<td>Community service organizations</td>
<td>Community-based organizations</td>
<td></td>
</tr>
</tbody>
</table>
E-RIC Roles: Consortium

**DOE Hub:**
- Develop and deliver transformational technologies and systems that will be commercialized by the private sector
- Create a research atmosphere with a fierce sense of urgency to deliver solutions (modeled on wartime and industrial laboratories)
- Integrate efforts across many disciplines by creating a structure designed to promote rapid dissemination of research results through formal and informal channels

**EDA Co-Applicant:**
- Bring expertise in collaborative regional economic development as a framework for achieving the maximum sustainable economic impact
- Enable Consortium members and their E-RIC Partners to operate in an integrated, coordinated fashion
- Enable funds to be used for constructing or renovating necessary infrastructure, for strategic planning purposes, and/or for revolving loan funds

**NIST/MEP Co-Applicant (via Regional Innovation Partnership Program):**
- Support additional coordination, planning, and implementation activities to entrepreneurs and small businesses working with or spun out of the Hub
- Meetings, outreach to other economic development organizations, manufacturing technology and other supporting businesses.
- Leverage technologies that spin out of the Hub and integrate into applied market needs

**SBA Co-Applicant (via existing Small Business Development Center (SBDC)):**
- Provide more tailored training and educational activities directly related to starting or expanding a small business
- Assistance to promote the development and commercialization of clean technology and renewable energy products, goods, services, and processes
- Provide information, resources and training around energy efficiency practices - particularly relating to green buildings and related technology
Agency Partners:

DOL:
• Encourage the public workforce system to be involved in the E-RIC.
• Workforce Investment Boards, One-Stop Career Centers, Registered Apprenticeship, community colleges, and community-based organizations play a critical role in this effort by developing the skilled workforce needed for the cluster to grow and prosper.

ED:
• Encourage State eligible agencies and local and regional secondary and postsecondary educational agencies and institutions that receive funding under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins Act) to act as E-RIC Partners
• Support allowable career and technical education projects and activities that eliminate gaps between the supply and demand for workers in specialized fields within the E-RIC.

NSF:
• If existing NSF award recipients are also Co-applicants or E-RIC Partners of the winning Consortium, these NSF recipients may be eligible for supplemental funding from NSF to complement HUB research; provide internship and educational opportunities associated with the E-RIC.