

CAPITAL AREA TRAINING FOUNDATION

Grounded in the Private Sector

The Capital Area Training Foundation (CATF) is an employer-driven intermediary that supports employer priorities in school-to-career activities and workforce development. It was created in 1994 based on the view that employers are more likely to participate in specific education reforms if they can do so through an employer-led entity. This explicit grounding in the private sector sets CATF apart from many local partnerships, which are often dominated by organizations of schools and educators.

CATF acts as a broker between employers and local schools in the Austin, Texas, region. Staff members, together with volunteers, support the work of industry-sector steering committees. These committees are responsible for engaging employers in: designing career pathways; providing work-based learning experiences to students and teachers; and linking employers directly with schools and postsecondary institutions.

About half of CATF's efforts concern youth development through school-to-career support, which is the focus of this case study. CATF also places a priority on adult transitions to work, especially welfare-to-work projects. The organization engages in similar strategies for both youth and adult workforce issues.

In its four-year history, CATF has been a catalyst for change within schools and employers across the Austin metropolitan area. Currently, employers, through the Greater Austin Chamber of Commerce, are in the process of committing significant resources to CATF that will support its convening and brokering functions over the next five years.

Key Lessons

- Brokering is a new and necessary function.
- Work with and through existing intermediaries and practices.
- Go in the direction that employers want, using the vehicle of industry clusters to define direction and articulate employer goals.
- Work on a regional level.
- The key to sustainability is local support.

Background Information

- **Mission:** CATF is a business-led organization established to organize employer involvement in the education and workforce development system in and around Austin, Texas. Its mission is to “enable the creation of a quality workforce in the capital area and the preparation of youth and adults for lifelong learning, citizenship, and career success.”
- **Structure:** CATF is governed by a 17-member board of directors, at least two-thirds of whom must represent the private sector; additional directors come from the education sector and include representatives of the Austin Independent School District, Austin Community College and the University of Texas. The president of the Greater Austin Chamber of Commerce chairs the board.

CATF accomplishes its work through six steering committees: high technology (including task forces for semiconductors and electronics, computers and peripherals, software, multimedia, and telecommunications); construction; criminal justice; automotive technology; health services; and a committee that combines hospitality, retail, travel, and tourism.

- **Funding and Staffing:** CATF has fifteen employees; five are paid and the rest are part-time or volunteers, including one retired businessperson. It derived its FY 1999 operating budget of almost \$1 million from several sources, primarily: \$100,000 in City of Austin and Travis County funds, paid through a community action network, for school-to-career activities; \$145,000 from City of Austin and Travis County funds to support adult training for a construction industry program; \$100,000 from private-sector contributions; \$200,000 from the City of Austin for a “telecommunity” project; about \$60,000 from the final year of a federal Urban-Rural Opportunity Grant; \$225,000 from the Capital Area Workforce Development Board (Austin’s state-recognized school-to-career partnership); and about \$60,000 in out-of-school youth funds. Other resources are earned through fee-for-service and consultation work.
- **Partners:** In addition to the Greater Austin Chamber of Commerce, CATF partners include local industry associations (e.g., SEMATECH, Austin Hotel/Motel Association, Austin Automotive Dealers Association, American Electronics Association, Associated General Contractors), over 300 employer partners, and 10 area Independent School Districts in 3 counties with a total of over 150,000 students, including 78,000 students in the Austin ISD. CATF works closely with several postsecondary institutions, notably Austin Community College, Southwest Texas State

University, and the University of Texas at Austin. It also works with a variety of government and non-profit entities, such as the City of Austin, Travis County, the Urban League, and the American Institute for Learning.

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Historical Summary

The creation of the Capital Area Training Foundation is rooted in decisions made during the early 1990s. Despite the Austin economy's significant growth, particularly in higher-technology sectors, many youth lacked access to local employment opportunities. As in many communities at that time, Austin's civic and business leadership realized that to improve opportunities for youth, particularly for non-college-bound youth, it was necessary to create systematic connections between school and work within the region's education and workforce preparation systems.

To link education and workforce preparation, city and county leaders undertook several efforts:

- In the spring of 1991, the Greater Austin Chamber of Commerce created a school-to-work transition committee to sponsor two pilot programs using local resources.
- That same year, the Austin City Council made youth development its top priority, establishing an "Opportunities for Youth" initiative that included a summer jobs program and other investments to reach high-risk youth.
- During 1991-92, researchers from the Lyndon B. Johnson School of Public Affairs at the University of Texas prepared *Bridging the Gap*, a strategic plan for implementing a school-to-career effort in Austin.
- In the spring of 1993, Austin Mayor Bruce Todd led a group of government and business leaders on a study tour to Koblenz, Germany. Upon its return, the group proposed that Austin should make improving school-to-career transitions one of the city's top policy priorities.

That tour proved to be an inspirational occasion. Mayor Todd called on the Greater Austin Chamber of Commerce to collaborate with the city to create a school-to-career system, and the Chamber responded by convening an informal task force to work on the design of career pathways.

The Chamber task force, comprised of many of the same business executives who had participated in the study tour, recognized that a strength of the German system is the organizational support provided by local chambers of commerce. These chambers organize the participation of all employers on behalf of the youth training system. While the task force saw that it was not possible to replicate all components of the German system in this country, everyone agreed that the role of employer broker would be essential to the success of U.S. efforts.

Business and community leaders in Austin recognized that the German chamber model works in part because it is universal. That is, *every* business establishment in Germany must be a member of either the chamber of commerce (larger firms) or a craft chamber (smaller firms). In contrast, whatever entity Austin eventually created would be organizing the *voluntary* efforts among employers.

With that in mind, the task force recommended the establishment of a non-profit, industry-led, self-governing organization to promote and guide the development of school-to-career efforts in the Austin area. A newly created organization would be less encumbered by “baggage”—such as reputation or operational constraints—than an existing organization. Thus, this new body would be positioned to forge its own image, giving it more flexibility to serve as a connector between firms and schools.

Moreover, the Greater Austin Chamber of Commerce did not want to act directly as the school-to-career employer intermediary. Because it raised its operating budget from the private sector, the Chamber was reluctant to start taking public funds. The Chamber believed it was not an appropriate organization to manage a federal grant.

With assistance from the Chamber and \$100,000 in seed support from the City of Austin, CATF was chartered in April 1994. Although formed as an independent non-profit corporation, CATF maintained a “dotted line” relationship to the Chamber, and a 1998 reorganization brought the two entities closer together. CATF has a strategic affiliation with the Greater Austin Chamber of Commerce. The CATF executive director also holds the title of vice president for workforce development within the Chamber. Financially, the Chamber has committed significant resources to CATF’s future operations.

CATF is explicitly employer-led. It is based on the assumption that employers

are more likely participate and take “ownership” if they also own and direct the support and delivery systems. By organizing firms to articulate their needs with a unified and coherent voice, industry can have a deeper influence over schools and training providers. The Chamber also saw CATF as supporting longer-term efforts for regional economic development, given the clear connections between workforce development and regional economic strength.

Core Approach: An Industry Cluster Strategy

Most of CATF’s school-to-career activities are devoted to providing organizational support for, and staffing of, its six industry-sector steering committees. In addition to employer members, each steering committee includes representation from educators engaged in school-to-career academic programs in area schools and from community organizations and local colleges. In practice, this means that although CATF responds primarily to employer priorities, initiatives proceed only if they have buy-in and support from both the employers and the educators that make up the steering committee membership.

CATF has established steering committees for these sectors:

- *High-technology*, which is organized into five task force areas representing firms in semiconductor and electronics manufacturing, software development, computers and computer peripherals, multi-media (Internet-based communication), and telecommunications;
- A committee, representing *retail sales, hospitality, travel, and tourism*;
- *Construction*, focusing on the construction industry, building trades, and related engineering fields;
- *Automotive technology*, including careers in the automotive service industry;
- *Criminal justice*, including municipal court officials, police and sheriff offices, corrections facilities, and private attorneys; and
- *Health care*, including medicine and allied health fields.

Each steering committee is composed of employers who are familiar with the needs of their industry and with changes in technology and skill requirements. The sector-wide approach also helps assure that committee work will result in sector-wide efforts, rather than solutions responding to

the particular needs of a single firm.

Industry-cluster committees depart from the way many school-to-career partnerships accomplish their tasks. The industry sectors are intended to reflect the Austin region's economic profile. In contrast, partnerships centered on schools, school districts, or postsecondary institutions often organize themselves around existing in-school programs, especially for vocational education. In some cases, these priorities fail to reflect the structure of the local or regional economy or the skills that industries need but traditional educational programs are not serving.

In its formative period, CATF presented each steering committee with a list of potential roles. Committees developed their own agenda as a subset of this list. These activities include: assessing current and future workforce development needs; identifying which entry-level jobs can be filled by student trainees; validating competencies and knowledge needed by fully trained workers; designing structured work-based learning; collaborating with educators to develop school-based learning; committing to providing work-based experiences for youth; implementing state or national skill standards and assessment and certification; arranging worksite visits for teachers and school administrators, and supporting career awareness.

Decisions on industry-specific strategies vary by committee, and are made by consensus of employer members in collaboration with the education sector and other interest groups. To support each steering committee, CATF assigns staff members—known as *Industry Liaisons*. The Liaisons have included retired business executives as well as professionals recruited to serve committee support positions. In a few cases, CATF has hired staff who come from a primarily educational background, but the vast majority of Industry Liaisons come from the private sector and have direct knowledge about a particular industry.

The committee structure emphasizes a new role for employers. Rather than act in their traditional role as patrons of a school, employers use the committees to underscore that they are full operating partners in efforts to connect work and learning for youth.

Steering committee meetings are scheduled to be accessible to business members. Some subcommittees meet over breakfast at 7:00 a.m.; others meet regularly during lunch. Meeting times that are most accessible to educators, after the school day ends, tend to be the least accessible to private-sector members.

CATF is physically located on the Austin Community College campus in a building that also houses the Capital Area Workforce Development Board and Capital Area Tech Prep Consortium, and the Capital Area Education and

Careers Partnership. Co-location facilitates regular communication, scheduling of meetings, and the feeling of collegiality in working across organizations that have different missions.

Federally Designated Local Partnership

In the fall of 1994, during its first months, CATF received two national grants under the School To Work Opportunities Act, funds that had a dramatic impact on CATF's subsequent direction and operations. A direct local partnership grant provided about \$1.6 million to CATF over three years; an Urban-Rural Opportunities Grant (UROG) provided CATF with about \$600,000 to work in a high-poverty census tract within the City of Austin.

These two grants not only provided major financial resources, but also positioned the foundation as a designated partnership convenor and underscored the tri-county, multi-school district regional scope of CATF's work.

In these early years, CATF devoted a great deal of effort to building interest and participation within schools under the two grants. For example, it funded career specialists in six high schools. Each specialist is responsible for providing career information and counseling/advising students on occupations, arranging group sessions with the students, and coordinating school-to-career activities at the schools. Over time, these positions have been incorporated into school district budgets. Currently, there are four school-to-career staff members in capital area school districts.

At the same time, though, the federal grants contributed to a "creative tension" within CATF that is common among school/business partnerships. Practically every school-to-career local partnership has adopted strategies that depart from what it was initially created to do. With partnership funding patched together from a variety of sources, it can be hard to pursue a singular vision. CATF's role has changed, too. It was conceived as a purely private-sector intermediary, providing brokering and organizational services on behalf of employers. When it became the federally recognized local school-to-career partnership in 1994, it had to act on behalf of all stakeholders in the region. In late 1997, the federal partnership grant ended, and CATF's partners had to redefine the organization yet again.

Today, CATF continues to perform a variety of activities beyond employer brokering. It provides training and technical assistance to help other school-to-career partnerships, and it continues to support at-risk youth under the UROG grant, which it has retained. The school systems have taken over responsibility for funding the career specialists.

CATF representatives say that the end of federal funding was a blessing in disguise: it forced CATF to be more entrepreneurial and to diversify its funding sources since ending its role as the convening partnership. In many ways, CATF has returned its focus to playing a brokering role for employers. Moreover, CATF points out, the Austin business community has been supportive of the organization, and is currently raising an “endowment” fund for CATF’s next five years of operation.

Achievements

In 1997, the American Youth Policy Forum brought a delegation of high-ranking congressional staff, Clinton Administration officials, and foundation and think-tank representatives to Austin for three days. Afterwards, the visitors concluded, “Austin demonstrates that an intermediary organization can be invaluable in creating the initial connection between employers and schools. The Capital Area Training Foundation, an industry-led non-profit organization, has brought together industry leaders to determine their needs, and sought out the support of educators in preparing students to meet these demands.”

In general, CATF’s work as an intermediary entity—bringing together employers, educators, and community partners—has expanded opportunities for thousands of students in greater Austin, including hundreds of students in high schools that serve high-poverty neighborhoods.

Many CATF achievements can be organized by the work of the six steering committees. Their selected accomplishments include:

- *High-technology:* Development of the Accelerated Careers in Electronics 2000 initiative (ACE 2000), a partnership with Austin-area semi-conductor manufacturers that has established a middle school-to-college career pathway; expansion and support of electronics programs, computer networking, and computer software, including Java and C++, in 12 high schools; and establishment of a CAD/CAM laboratory at Austin’s Reagan High School. The Steering Committee provides a forum for employers and educators to collaborate on the design of career pathways and develop new work-based initiatives. Employer partners, including such major firms as Colcom, Advanced Micro Devices, Siemens, Applied Materials, Samsung, and Dell Computer, provide career development support, job shadowing, and summer internships. The industry has raised more than \$135,000 to support the continued work of the Steering Committee, with most of the funds going directly into participating schools to help fund the costs of instruction and equipment.

- *Hotel Management:* A partnership with the Austin Hotel/Motel Association and Texas Hotel and Motel Association that resulted in 240 work-based learning rotations for students from 12 high schools, rotations that took place in 12 major hotel establishments, including the Hyatt Regency, Four Seasons, and Marriott; development of a Hotel Management career pathway; and provision of teacher workshops.
- *Construction:* A partnership with the Associated General Contractors, Association of Builders and Contractors, and others to sponsor two Construction Career Academies that lead to a formal construction apprenticeship or Tech Prep pathways resulting in an associates degree in construction. The academies include organized career awareness and exploration, and require students to participate in work-based experiences.
- *Hospitality:* Establishment of a Hospitality Academy at area high schools that has the strong support of regional employers.
- *Automotive technology:* A partnership with the Austin Automobile Dealers Association that has resulted in implementation of an industry certification program for automotive technology. The program, available in five local high schools located in three different school districts, also includes on-site professional development for counselors and teachers.
- *Criminal justice:* Development of a high school academy in criminal justice that enrolls more than 150 students; sponsorship of summer work-based experiences within local law enforcement and court facilities.

The Future: Plans, Priorities, and Challenges

Every organization in today's economic environment needs to remain in a state of constant evolution. CATF is an example of an intermediary organization that has changed frequently throughout its history, has remained well-anchored to employers and the private sector. It has demonstrated value in helping employers articulate and meet workforce goals, and it is in the process of turning this value into core operating support.

In the rapidly growing Austin region, workforce development has emerged as the dominant issue among employers. The Greater Austin Chamber of Commerce has increased its support of economic development activities through its leadership on workforce strategies. As a result, CATF's role—especially with respect to youth development and the emerging workforce—is growing.

Its history of success has resulted in strong buy-in from employers on an expanded role for CATF as an intermediary organization within the workforce system. Austin's employers understand that youth comprise the future workforce, and they are supporting CATF's work out of self-interest, rather than as a philanthropic endeavor.

At the same time, CATF envisions playing a stronger role in other areas. To the extent that its past work has emphasized *brokering* between employers and schools, it will concentrate more on the *convening* function of an intermediary: acting as a convenor that brings stakeholders together to advocate more for policies that promote work and learning. It has also recognized the need to focus on educator needs, especially in the area of professional development. Future efforts will build opportunities for teachers and others from the education sector to experience work-based opportunities.

CATF points to two major, and interrelated, factors that position it for the future: 1) it has a track record of success among employers in the Austin area; and 2) it has the luxury of tapping into non-federal funding to support its operations.

In the next three years, federal funds for the CATF-run UROG grant and the State of Texas School-to-Work implementation grant will end. By 2000, CATF will derive perhaps 80 percent of its operating budget from private and foundation grants. Its heavy focus on the private sector is part of CATF's broader strategy to wean itself from federal grants (and contracts for service paid through federal resources). The endowment raised by the Austin Chamber, to be paid out over five years, gives CATF both working capital and the imprimatur of the private sector.

In the future, CATF expects to maintain its professional staff at roughly constant levels. It is expected that the "virtual budgets" of the steering committees will continue to grow over time as the work of the committees in employer recruiting and involvement increases.

Key Lessons

CATF leaders point to a number of reasons why the foundation has been successful in brokering employers and schools.

Brokering is a new and necessary function.

Every success of school-to-career in Austin has required significant brokering activities. To succeed in this role requires individuals with time, patience, and persistence. The connector organization has to have staff members who truly understand the business culture and can interpret and clarify

expectations for both educators and employers.

Work with and through existing intermediaries and practices.

Rather than attempt to organize firm-by-firm, CATF has connected with existing industry associations whenever possible. As a result, partnerships developed with such organizations as SEMATECH (the region's association of semiconductor manufacturers), the Associated General Contractors, and the Austin and Texas hotel and motel associations. At times, these associations have served as "proxy" representatives for their own membership and provided timely ways to communicate with member firms, improving CATF's outreach and recruitment efforts. Through these partnerships, CATF could organize student worksite placements at a scale that would have been far harder to accomplish if it had to connect with employers firm-by-firm.

Similarly, CATF subcommittees learned the value of building on existing practices, compressing the time it took to place new or expanded programs into operation. Committee working groups undertook to inventory all existing school-business connections, developing an honest assessment of programs. Next, they attempted to build on these existing practices and relationships that complemented the school-to-career agenda. In this way, the steering committees could compress the period between discussion and action, the time when the interest level of many business representatives tends to drag.

Go in the direction that employers want, using the vehicle of industry clusters to define direction and articulate employer goals.

The Austin experience shows that industry is concerned about workforce development issues in general; school-to-career is only one component of workforce development. As CATF leaders acknowledge, brokering employer participation—the ethic that permeates all work of CATF staff—is part of shifting the fundamental relationship of employers and educators from one of philanthropist, to recipient, to one of operating partnership.

In fact, early attempts to present the subcommittees with a broad school-to-career agenda tended to overwhelm their volunteer members. Most of the committees found that it too difficult to develop a long-range agenda, with big-picture ambitions. The most successful committees concentrated on narrower, short-range actions that could be accomplished while members still had enthusiasm for tasks that CATF staff resources could support.

None of the steering committees had a "pre-packaged" agenda that it sought to force on committee members. Each committee had the flexibility to move in the direction its industry members desired. In practice, this sometimes meant that the steering committee didn't even focus on youth: two industries

discovered barriers that limited the ability of member firms to employ people less than 18 years old.

Work on a regional level.

CATF promotes regional workforce development and guides and supports the establishment of a school-to-career system across the capital region. CATF steering committees pursued a regional approach, rather than focusing on a single school district or even one city. Labor markets are themselves regional, and supplier-market connections across business firms are not defined by the boundaries of political subdivisions. The State of Texas encouraged this regional perspective in a number of ways, including the implementation of regional workforce development boards and quality workforce planning areas.

Even though much of the early support for the CATF effort came from the City of Austin, the organization has consistently voiced a regional perspective for workforce preparation and economic development. It pursues its strategies across three counties, encompassing ten independent school districts and a challenging mix of urban, suburban, and rural districts.

The key to sustainability is local support.

CATF used venture capital to make its transformation from a start-up operation into an ongoing enterprise. Using the federal grant as seed capital meant that every industry committee had to demonstrate positive accomplishments in order to generate continued interest and funding from the business sector. The issue of sustainability has been resolved because the Austin business community has financially recognized the value of CATF's intermediary services. Like any commercial venture, CATF created a product and developed its market. The pay-off is a sustainable operation funded through ongoing support.

Acknowledgments/For More Information:

Principal writer for this case study was John Niles. Major sources for this case include the following documents, as well as interviews with CATF Executive Director John Fitzpatrick and with Robert Glover, a founding member of CATF and current member of the CATF board of directors.

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