



Central Corridor Anchor Institutions

Phase II Report and Recommendations

June 5, 2012





I. Introduction

A. BACKGROUND – PHASE I

The McKnight Foundation launched the Central Corridor Anchor Institutions project as one of a set of strategies designed to leverage the nearly \$1 billion investment in the Central Corridor Light Rail Transit to create sustainable economic prosperity for corridor residents and the broader region.

Anchor institutions – healthcare systems and higher education institutions – are increasingly recognized as having largely untapped potential to provide economic benefit to their surrounding communities through coordinated and collaborative work. Several research, policy and funding entities have focused

on Anchor strategies including the Initiative for a Competitive Inner City, Living Cities (a collection of 22 of the largest foundations and financial institutions in the world), and others. The model that has emerged as a best practice is to build Anchor strategies around the three “Ps” of personnel, procurement, and placemaking to create shared value between the institutions and the surrounding community.

In 2011, the McKnight Foundation commissioned an environmental scan of anchor institutions along the Central Corridor. This scan identified nine healthcare facilities and seven colleges along the corridor that collectively employ nearly 70,000 people and have an economic impact of \$5 billion annually. The Presidents and CEOs of these institutions came together in November 2011 to review the initial report and to learn about best practices in anchor strategies from around the country. The result of this conversation was a high degree of interest in exploring opportunities for collaboration along the Central Corridor, best summarized in a comment from the President of Hamline University who said, “You have our attention, now what will we do?”

Since fall 2011, discussions with the Anchor institutions around the five primary areas identified for potential collaboration have continued. Through the Central Corridor Funders Collaborative, strategies for collaboration in the following areas are being developed:

Strengthen live-work connections

The connectivity that results from the completion of the Central Corridor offers opportunities for employees at Eds and Meds to locate on or near the corridor and use it to reduce their household Housing + Transportation costs. Key housing finance entities including the Family Housing Fund, Metropolitan Council, Cities of St. Paul and Minneapolis, Minnesota Housing, and LISC have already connected and focused their resources in the Central Corridor. This group, called the Corridors of Opportunity Affordable Housing/TOD Implementation Team, has agreed to develop LIVE/Work scenarios and incentives that could help employees from anchor institutions take advantage of the proximity of transit when purchasing along the corridor.

Complete transit last mile connection.

A group of facilities leaders from the Anchors has begun meeting to discuss how best to connect the Anchors with the Central Corridor LRT through ancillary bus, bike and pedestrian connections. Metro Transit is leading this effort.

Maximize mutual benefit of service learning.

Building on many successful and unconnected engagements along the Central Corridor that leverage the resources of educational institutions to serve, research, and enhance the work of non-profits and neighborhoods, the Anchor strategy is looking at better coordinating these efforts for greater impact. Minnesota Campus Compact is the collective platform to help leverage the Anchor interest and has a funding proposal into the Central Corridor Funders Collaborative to further develop this strategy.

The remaining two areas identified in the environmental scan for further exploration are aligning HR needs among corridor anchors and growing the “buy local” supply chain. These two areas are the focus of this report.

B. SCOPE OF WORK – PHASE II

To further explore opportunities for collaborative effort among the anchor institutions, The McKnight Foundation engaged Louis Smith of Smith Partners LLP and Ellen Watters of Civic Source to interview and convene workforce professionals and chief procurement officers at the anchors. The purpose of these conversations was to inform and assess the most realistic direction for collective work that would drive benefit for both anchor institutions as well as the low-income residents and communities along the Central Corridor. During the course of the project, 12 personnel or procurement leaders from anchor institutions were interviewed individually. Ten individuals representing eight anchors participated in a meeting on procurement opportunities. Fourteen individuals representing twelve institutions participated in a discussion about potential collaborative work around personnel and training.

The specific goals for Phase II were:

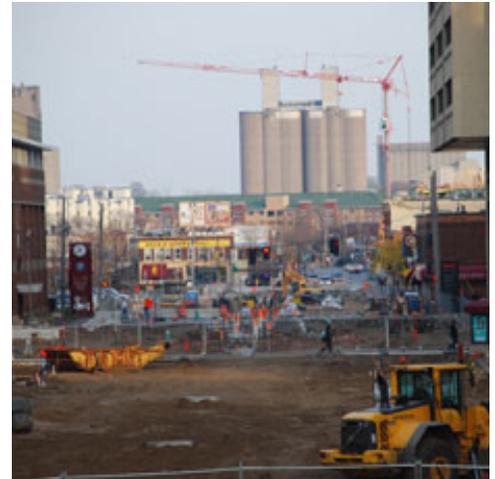
1. Identify the opportunities and barriers to collective action that would need to be addressed including recommendations on whether there is sufficient commonality and synergy to be gained by having the two sectors (“Eds” and “Meds”) work together;
2. Identify the immediate and tangible action steps that could be moved on quickly in personnel and procurement work;
3. Build on the momentum created in Phase I by identifying likely leadership growing out of anchors personnel and procurement offices as well as “piloting” or “partnership” possibilities that would be a basis for planning and implementing longer-term strategies for personnel and procurement work; and
4. Make recommendations for Phase III to turn interest into a collective implementation plan shared by anchors willing to move forward toward collective impact.

II. Findings

A. PROCUREMENT

Interviews with six procurement professionals were conducted in March 2012 in advance of a joint meeting for the educational and medical institutions (“Eds” and “Meds”) along the Central Corridor. The interviews were designed to elicit background information on procurement practices, identify interest in further discussion and explore which institutions and professionals appear to be most interested in being part of a collaborative effort around local procurement.

Several of the procurement professionals agreed that a joint discussion that included both Eds and Meds would be beneficial as it would help build relationships across the sectors and could identify potential areas of collaboration. In addition, those on the meds side indicated that the areas of collaboration of greatest interest to them are in non-medical goods and services.



1. Institutional Self-Interests

Successful collaborations are built on a clear understanding and acknowledgement of the self-interests of the participants. For the anchor initiative, each institution was asked to articulate why they were interested in being part of this work. Several themes emerged including:

- Reflection of institutional mission, e.g., as community based nonprofits, their mission is to serve community, serve the underprivileged, etc.;
- A commitment to social equity;
- The opportunity to talk to other hospitals and share best practices;
- Supporting a strong local economy means more patients have jobs and health insurance;
- Consistency with institutional sustainability frameworks, e.g. commitment to buy local when possible, reduce transportation costs, support surrounding neighborhoods; and
- Healthcare is a local business and the health of the local community is important.

2. Opportunities

The consensus from both Eds and Meds is that they are interested in identifying local providers of some goods and services. The colleges are already doing some joint procurement through the Associated Colleges of the Twin Cities (ACTC). Best known for its inter-campus bus system, ACTC launched a procurement program several years ago and currently the five core members of ACTC (Augsburg, Hamline, Macalester, St. Catherine University, University of St. Thomas) as well as 14 associate members utilize the program. Nearly 50 products/services are available through ACTC.

Among the hospitals, all are members of large national Group Purchasing Organizations. These GPOs offer access to well-researched contracts that provide the quality and price desired. They also provide information and consulting on process improvement, trends in the industry, new technologies, etc. Because of these extensive existing relationships, hospitals indicated they are more likely to be interested in collaboration around services vs. commodities. They also indicated that the more specialized products they purchase are not likely to be readily available in the local marketplace so identifying goods and services common across the Eds and Meds would be feasible.

Throughout discussions, several dozen ideas of specific goods or services that could be sourced locally were mentioned with the most common items being:

- Food because it lowers transportation costs and could thus be more cost-effective to purchase locally
- Building materials, such as paint, carpet/flooring
- Building maintenance, cleaning, landscaping, snow removal
- Transportation services like courier and taxi services
- Printing
- Recycling and waste management
- Interpreters/translations
- Window washing
- Aquarium services
- Background checks
- Search firms
- HR services in general – the GPOs don't do it anymore
- Branded apparel and products (glasses, t-shirts, etc.)

There was also discussion about strategies that could leverage student engagement, including partnering students and businesses to build viable supply businesses. It was also noted that if the Anchor effort did identify and test a successful local supplier, the hospital relationships with GPOs could promote that supplier to a national audience.

3. Barriers

A key challenge to joint purchasing that must be addressed is ensuring that local suppliers have the experience, capacity, cash-flow, facilities, etc. in order to meet an aggregated demand developed by the anchors. Interruption in the supply-chain is a critical issue for all institutions and developing a level of confidence that a local supplier can cost-efficiently and consistently meet the service and product demands of the institutions must be assured. As one participant noted, “we’re very committed to the community but the question is can we afford to work on this type of opportunity given the pressure to control costs, etc.”

Another challenge, as noted above, is the widespread utilization of GPOs by the hospital institutions. These substantial, long-standing and complex contractual relationships dominate hospital procurement and deliver significant cost-savings – and sometimes even revenue -- as well as a track-record of delivering to the hospital specifications. Developing a case for purchasing outside of the GPOs utilizing local sources of unknown experience is an internal challenge. However, most hospital officials believe this can be overcome depending on the types of products/services that the project would seek to source locally.

In addition, Fairview has its own GPO (Fairview Purchasing Network) which serves more than 20 hospitals (all in Greater MN) and 13 retail pharmacies and purchases \$500 million annually. FPN works primarily through large distributors (Cardinal, Owens Minor, US Foodservice, etc.) which have distribution centers/warehouses in the metro area. While there may be opportunity for FPN to source more goods and services locally, this is a profit center for the system and so any changes will impact the organization's bottom-line.

Other barriers identified include:

- How to drive demand across institutions with decentralized purchasing
- Addressing the costs and time involved in identifying a new vendors and converting systems to new vendors
- Coordinating joint purchasing given that existing contracts expire at different times

4. Existing Platforms for Collaboration

Nearly all the college procurement officials have relationships with each other and work together at some level through ACTC. In brief discussions with ACTC, that organization is interested in being part of an Anchor strategy. Further discussion is needed to determine if and how it could serve a role with the healthcare institutions. ACTC is in the process of hiring a new staff person to manage the procurement program and plans to develop additional supplier relationships above their current roster over the next year.

In contrast, the healthcare providers indicated that they rarely convene to share best practices or discuss joint purchasing. A few have specific purchasing relationships with each other through GPOs or through such partnerships as the HealthSystems Cooperative Laundry in St. Paul which is jointly owned and operated by HealthEast and Allina and has been around for about 15 years. Procurement officials from the healthcare institutions saw clear value in meeting as a group and were open to exploring common needs with the college officials.

The Itasca Project has created a Business Bridge Supplier Showcase that connects the region's small and growing companies to larger customers through vendor fairs. There could be an opportunity to leverage this project for Central Corridor vendors and Anchors.

5. Tangible Next Steps

Recognizing the desire to demonstrate return on investment in a fairly succinct timeframe, the Anchors agreed that identifying at least one immediate project was important in supporting their continued participation. As one said, "we can't be sitting around talking with no progress in six months." Several options exist in terms of tangible next steps for the group that would produce short-term results:

- Convene the procurement officials regularly to share best practices, supplier lists, and look for additional opportunities to jointly purchase locally sourced products and services;
- Develop a survey listing all the potential products and services that have been identified to see which are of greatest interest to the group. Also survey when existing contracts

for the highest rated products or services expire to see where at least 3 institutions could potentially jointly purchase that item/service;

- Identify potential Central Corridor suppliers based on the survey of Anchor needs and create a database/directory of local suppliers. Include information on the scale of each supplier if possible;
- Work with Central Corridor suppliers to help them gain entry to Anchors, prepare bids, and access support through organizations such as Neighborhood Development Center and others to help them manage the demand generated by their new customers;
- Develop a common vendor application form across all institutions to minimize barriers for small, local businesses to become suppliers;
- Understand and explore building on the Itasca Project's Business Bridge Supplier Showcase effort;
- Understand and explore the potential of urban agriculture initiatives such as the Frogtown Farm and others as a strategy to supply locally-sourced food to Anchors; and
- In the longer term, explore products and services that aren't currently available locally and whether new businesses could be developed to meet the Anchor demand.

6. Leadership

Several procurement professionals from both sectors have demonstrated significant interest and enthusiasm for continuing to explore a collaborative approach to procurement. This coupled with the interest of the CEO/Presidents of several institutions suggests that there is support for a Phase III effort around leveraging collective purchasing power along the Central Corridor.

7. Action Plan

There is significant opportunity to building on the positive momentum generated at the procurement leaders meeting in mid-April. The group that attended as well as several other institutions that were unable to participate but indicated strong interest is ready for another meeting and pathway forward to collaboration. Several actions should be taken immediately to facilitate this next phase of the work:

- Review this summary report with CEO leadership at the Anchor Institutions to assure alignment and endorsement;
- Distribute the summary report to the procurement officials from the institutions and convene them for a follow-up conversation; and
- Bring to the procurement officials a draft work plan that identifies more specifically the Tangible Next Steps noted in this report and ask for their feedback and priorities.

B. PERSONNEL

Initial interviews with work force development professionals in health care and educational institutions indicated a strong interest in an anchor institution collaborative along the Central Corridor. On May 2, 2012, fourteen representatives from eleven different healthcare and education institutions met to discuss interest and opportunities for this initiative. The discussion was particularly significant in identifying institutional self-interests in this work, and in recommending some practical implementation steps.

1. Institutional Self-Interests:

The May 2 meeting devoted considerable time to a discussion of the self-interests of anchor institutions. The most powerful message that emerged from this discussion is that building a work force that is more representative of local neighborhoods will lead to better healthcare and student achievement outcomes. The discussion identified a variety of important and specific institutional self-interests, including:

- Increasing enrollment at the educational institutions by offering a curriculum that builds pathways to identified health careers;
- Both education and health care institutions claim sustainability and a reduced environmental footprint as important corporate values, and linking the institutions to the Central Corridor LRT project serves to strengthen this message;
- Public transit investments can serve to reduce parking infrastructure costs and offer opportunities for institutional improvements in transportation demand management and facility management;
- Student success after graduation is enhanced by intentional support for career pathways;
- Some of the educational institutions have a significant percentage of students from racial minorities; an institutional work force that is more representative of the composition of the student body will lead to better student achievement;
- Many of the healthcare institutions are located in lower income, minority neighborhoods; these institutions recognize that there are disparately poorer health outcomes in these neighborhoods; if the healthcare delivery system would employ more people from these neighborhoods to deliver healthcare, it should lead to improving the outcomes.

2. Opportunities

The meeting of anchor institution representatives identified several opportunities for potential collaboration along the Central Corridor:

- Light Rail Transit represents stronger connections for students and prospective workers to more educational and employment opportunities among the institutions aligned in the Central Corridor;
- Fifteen percent of the health care workforce will retire in the next five to seven years, creating future employment opportunities for today's youth;

- The Cedar Riverside Partnership's Health Careers Pathways model presents an approach that can be taken to a larger scale, where more institutional partners can examine projected employment needs and align training and community outreach strategies to connect local residents to those jobs;
- The Cedar Riverside Partnership's Scrubs Camp program offers a tested model on engaging high school youth to envision health careers; Healthforce Minnesota could provide work with Central Corridor anchor institutions to enlarge the reach and scale of this program;
- Many see the future of health care involving skilled community health workers, where cultural competency will be a critical element; many of the educational institutions in the Central Corridor are in a strong position to address this need;
- Long term care and home care present other employment opportunities in both the near term and going forward as the region's population continues to age; and
- These anchor institutions participate in several other healthcare work force forums, where data and resources could be tapped for application to initiatives in the Central Corridor.

3. Barriers

There are several challenges to be considered in exploring a collaborative initiative on work force development in the Central Corridor:

- Healthcare institutions in the Central Corridor do not need a local neighborhood work force initiative in order to fill current employment vacancies; their openings are easily filled with applicants from throughout the metropolitan area;
- Both the healthcare and education institutions are involved in many discussions of work force initiatives, especially at the state and regional levels; no one wants to duplicate these efforts or simply add to another list of meetings merely to address the same topic;
- Some of the educational institutions do not see a strong nexus between the Central Corridor LRT and their students and facilities (e.g. located more than one mile from a station);
- Many hospital patients and their visiting families do not see transit as a part of their hospital transportation planning; similarly, the nursing work force, with around the clock schedules and childcare needs, is also less transit-oriented.

4. Existing Platforms for Collaboration

Interviews and the meeting with work force representatives identified several existing platforms offering important information and resources, including:

- Healthcare Education Industry Partnership: now merged with Healthforce Minnesota, provides statewide leadership for education of the health care work force;
- Minnesota Hospital Association: maintains a work force tool that helps hospitals better

plan for their current and future workforce needs and allows them to access statewide benchmarks;

- Jobs Central: an employment and workforce project sponsored by the Corridors of Opportunity initiative will demonstrate how to align skills assessment, training, and employment services provided to local residents with the employment needs of three industries (including healthcare) along the Corridor. The pilot's goal is to support local industry job growth—and increase access to existing and emerging jobs for Corridor residents who are immigrant, low-income and/or persons of color;
- United Way Skills@Work Initiative: a new initiative focused on metro-wide strategies to address skills gaps in healthcare; and
- Local Workforce Investment Boards: can provide resources (e.g. Jobs Skills Partnership grants) for tuition reimbursement, childcare for incumbent workers advancement or other initiatives.

5. Tangible Next Steps

The meeting of workforce professionals on May 2 identified several potential next steps to advance this initiative in a manner that could provide value without duplicating other efforts:

- Obtain aggregated employment projection data for Central Corridor health care institutions;
- Identify most promising employment opportunities, and align education and training programs that provide pathways to those jobs; identify community engagement pathways, building on Step Up, the Power of You, and other similar initiatives to bring Central Corridor youth to those pathways; and
- Explore taking the Scrubs Camp concept to a larger scale by engaging more institutions along the Central Corridor.

6. Leadership

Several healthcare and educational workforce professionals have expressed strong interest in leading and supporting this initiative. There is clearly a strong core group that will devote ongoing energy and resources to this effort, suggesting there is support for a Phase III effort.

7. Action Plan

Several actions should be taken immediately to facilitate this next phase of the work:

- Review this summary report with CEO leadership at the Anchor Institutions to assure alignment and endorsement;
- Distribute the summary report to the workforce professionals from the institutions and convene them for a followup conversation; and
- Prepare a draft work plan that identifies more specifically the Tangible Next Steps noted in this report and ask for their feedback and priorities.



III. CONCLUSIONS

A. Evident Institutional Self-Interest

Representatives from a strong majority of anchor institutions express support for a ‘business case’ to work collectively in the Central Corridor. All of these institutions are non-profit corporations with community benefit linked to their core values and mission. Local procurement initiatives present the opportunity to strengthen the local economy and in some cases potentially to lower costs. A workforce that is more representative of local communities along the Central Corridor can contribute to better local health outcomes and improved educational achievement.

B. Right-sized Platform for Collective Action

The anchor institution representatives see a Central Corridor procurement initiative as an attractive new forum, not duplicated by any other effort. Aligning Central Corridor anchors to explore localized procurement opportunities presents an appropriate scale for a shared approach to augment existing group purchasing arrangements. The anchor institutions are involved in many state and regional forums on healthcare workforce development, and there must be a careful effort to utilize and not duplicate these other forums. A Central Corridor workforce effort should focus on scaling up pilot demonstrations that can track tangible progress for Central Corridor residents. There is support for combined efforts by the Eds and Meds to work together on both procurement and workforce.

C. Private Sector Leadership

Central Corridor anchors will engage most effectively in a collaborative that they own. While early foundation support would be useful and welcome, the institutions should be asked to contribute financially to support this work. A Central Corridor Partnership should be formed with senior executive leaders meeting quarterly to provide overall policy guidance, strategic direction, and assurance of accountability to desired outcomes.

D. Early Tangible Results

Institutional interest and engagement will be enhanced by early success. Both the procurement and workforce initiatives have short-term opportunities that should take a high priority in work planning.

IV. RECOMMENDATIONS

A. Initiate Work Planning

Prior to convening an inaugural Partnership meeting as recommended below, initial work plans should be prepared for the procurement and workforce initiatives:

1. Based upon the findings presented in Section II, prepare draft work plans for procurement and personnel strategies, including:
 - Detailed timeline for first six months showing specific milestones and outcomes;
 - Recommendations on potential existing platforms to support this work, for example, ACT;
 - Discussion and recommendations with potential implementing partners, such as HealthForce, Project for Pride in Living, Frogtown Farms, Itasca’s Business Bridge Supplier Showcase, etc.;
 - Outline of research needs, including employment projections from anchors, inventory of existing education and training programs in healthcare;
 - Process for anchor members to develop and agree upon outcomes; and
 - Evaluation plan.
2. The procurement and workforce work groups should be reconvened to review and comment on the work plans;
3. The work plans should be revised based upon the work groups’ input; and
4. This process should be completed within 30 days of notice to proceed.



B. Organize and Convene the Central Corridor Anchor Partnership

The anchor institutions in the Central Corridor should organize a partnership to guide and implement this work:

1. A joint communication from Kate Wolford, Mary Brainerd, and Paul Pribbenow should report on these findings, conclusions, and recommendations, and guide partner expectations for this process;
2. A Chair of the Partnership should be recruited, along with two or more Vice-Chairs, to galvanize leadership for this initiative, and serve as an Executive Committee, which may meet occasionally and provide guidance on Partnership agenda-setting or other leadership issues;
3. An outreach effort, including brief individual meetings or telephone conferences with senior leadership and work group representatives of each anchor institution should be planned as necessary to review these findings, conclusions, and recommendations, and draft work plans in order to facilitate expectations and answer individual institution questions; this outreach will be especially important for the institutions not represented at the procurement

or workforce meetings; the Chair and Vice-Chairs should be utilized as necessary to assist with this outreach;

4. The Central Corridor Funders Collaborative should be designated as the fiscal agent for the Central Corridor Anchor Partnership. Liaison relationships should be identified to connect the work of the Partnership to the Central Corridor Funders Collaborative, Corridors of Opportunity Policy Board, and the Central Corridor Management Committee as appropriate;
5. The Partnership, comprised of senior executives (in most cases, the CEO of the anchor institution), should meet no more than quarterly, for no more than 90 minutes each meeting, to provide overall policy guidance, strategic direction, and assurance of accountability to desired outcomes;
6. Work groups comprised of the appropriate representatives to shape and implement the procurement and workforce initiatives should meet more frequently as needed, e.g. monthly;
7. The institutional partners should ultimately bear financial responsibility for the work of the Partnership – a financial contribution should be an expected responsibility of membership, in amounts and duration as determined by the Partnership; foundation resources, if available, should be utilized for an initial period of preparation, and perhaps with key demonstration elements of selected initiatives;
8. Staff support should be engaged to prepare and support Partnership meetings, support the Executive Committee, and facilitate and support the activities of the Work Groups; it will also be important to enlist teams of Work Group members to assist in this work, such that they see the Work Group as a part of their assigned responsibilities, rather than simply another meeting to attend;
9. A draft Memorandum of Understanding should be prepared to articulate the purpose and charge of such a partnership, the responsibilities of its members, and other essential governance matters; and
10. The inaugural meeting of the Partnership should occur within 90 days of notice to proceed.

Appendices

APPENDIX A

Procurement Professionals Who Participated in Interviews or Meeting:

Gail Nelson Bliven
Director, Procurement & Auxiliary Services
St. Catherine University

John Carrico
Site Director of Supply Chain
University of Minnesota Medical Center and Amplatz Children's Hospital

Carol Carrier
Special Assistant to the Senior Vice President
University of Minnesota

Carole Chabries
Executive Director
Associated Colleges of the Twin Cities

Kathy Johnson
Business Services, Purchasing and Accounts Payable Manager
Macalester College

Mona Poce
Contracting Manager
University of Minnesota Medical Center and Amplatz Children's Hospital

Matt Rumpza, B.S., M.A.
Director of Purchasing & Central Services
Augsburg College

Robert Sturm
Manager, Materials Management
Gillette Childrens

Jim VanDrasek
System Director, Materials Management
HealthEast Care System

Matt Werder
Director, Supply Chain Management
Hennepin County Medical Center

Russ Williams
Vice President, Professional Services
University of Minnesota Medical Center, Fairview/University of Minnesota Amplatz Children's Hospital

APPENDIX B

Procurement Group Meeting Notes

Wednesday, April 18, Noon to 2:00 p.m.

Attendees:

Gail Nelson Bliven, Director, Procurement & Auxiliary Services, St. Catherine University; John Carrico, Site Director of Supply Chain at the University of Minnesota Medical Center and Amplatz Children's Hospital; Carol Carrier, Special Assistant to the Senior Vice President, University of Minnesota; Kathy Johnson Business Services, Purchasing and Accounts Payable Manager, Macalester College; Mona Poce, Contracting Manager, University of Minnesota Medical Center and Amplatz Children's Hospital; Matt Rumpza, B.S., M.A. , Director of Purchasing & Central Services, Augsburg College; Robert Sturm, Manager, Materials Management, Gillette Children's; Matt Werder, Director, Supply Chain Management, HCMC; Russ Williams, Vice President, Professional Services, University of Minnesota Medical Center, Fairview University of Minnesota Amplatz Children's Hospital; Jim VanDrasek, System Director of Materials Management, HealthEast.

1. Welcome and Introductions

Louis Smith welcomed the group and asked everyone to introduce themselves.

2. Overview of the Anchor Institutions Initiative

Eric Muschler provided brief background on the initiative and how it has evolved out of a desire among many partners in leveraging the \$1 billion investment being made in the Central Corridor. Several other cities have created Anchor efforts and so there is a desire to explore whether there is an opportunity in Minneapolis-St. Paul for Anchors to help drive economic prosperity. McKnight initiated a study of 17 anchors along the Central Corridor and looked at best practices from other cities. Three ideas emerged: joint work around procurement, personnel related to training and hiring from neighborhoods in the Corridor and placemaking, including capital projects and linking transit to the anchor campuses. McKnight convened the CEO level leaders from the anchors in November to review the environmental scan and ask if there was interest in further discussion. This meeting is one of the next steps identified in November.

Ellen Watters added that some cities have combined the so-called “eds” and “meds” and others have not. In the initial interviews which she did with several in the group, it appeared that at least this first conversation could include both sectors and that there may be joint procurement opportunities that work across the two groups.

3. Discussion of Anchor Institutions and Communities Report

Louis asked if attendees had any questions on the report. Gail Bliven asked about specific examples from other cities. Eric responded that the Cleveland Evergreen laundry is one example. Gail also asked if we were working with MEDA and are aware of their work on construction hiring and procurement for contractors working on the Central Corridor. Carol noted that the University of Minnesota visited Syracuse University after hearing about their work in November.

4. Identifying and Prioritizing Procurement Needs and Opportunities for Collaboration

Self Interest – Why are you here?

Matt Werder indicated that as a subsidiary of Hennepin County, their organization must give back to the community. He was intrigued as there are lots of hospitals in the region but they rarely talk to each other. He also suggested that he thinks identifying a service, which are largely locally sourced, could be an area of collaboration. He said it was hard to think of one thing that all would agree on and to find the time to devote to identifying and sourcing a new vendor because of the costs of converting systems, etc.

John Carrico said that a strong local economy, with employed residents with health insurance, benefits his organization so that is a reason for them to participate. The challenge is that they have long-term relationships and GPOs, diversity goals, pressure to control costs, etc. so the question is can they afford to work on this type of opportunity.

Mona Poce suggested looking at services because it would more directly create jobs for local people. She noted that not all hospitals use the existing hospital linen coop. They also collaborate already with Park Nicollet on some purchasing to leverage their buying power. The challenge is you need vendors who are dependable but that doesn't always translate to local because of scale – example of a cleaning service – who is large enough to handle that contract?

Russ Williams sees opportunity in food, especially with emphasis on fresh, local that diminishes transportation costs.

Matt Rumpza reiterated that scope is the biggest challenge. Sees being involved as a good cause and sees opportunity for institutions to impact the surrounding neighborhood. Uses the sustainability framework, e.g. trying to buy within 25 miles of campus is part of their sustainability plan.

Gail said that part of St. Kate's mission is to serve the underprivileged and a commitment to social justice.

Kathy Johnson explained Macalester's vision of sustainability that includes social equity and that they have been working on zero waste and opportunities for local purchasing. They also see LRT as potentially being an important linkage for the ACTC colleges. And she mentioned food and restaurants as part of a potential strategy to support local economies.

Jim VanDrasek said that healthcare is a local business and the health of the community is important to HealthEast. They are interested in seeing how they can impact the health of the local community. He is open to exploring ideas but the key challenge will be cost.

Carol Carrier noted that another challenge is that purchasing is decentralized and changing that will be a challenge. She added that in visiting Syracuse, they heard from residents and others about how impactful this work can be.

Mona noted that it shouldn't necessarily cost more to purchase locally as vendors should have lower administrative and transportation costs.

Steve Peacock explained Augsburg's commitment to its neighborhood and current work it is doing with the Cedar Riverside area.

Bob Sturm said Gillette sees this as being part of being a good citizen and added that the services area may be a good place to start. He also noted that several hospitals had done coops in the 1970s for printing, laundry and other things.

Platforms for Collaboration

Louis asked if there are existing platforms that could be built upon to do this work? The group discussed the role of GPOs and said GPOs are both a challenge and opportunity. Opportunity to link a local vendor to a national GPO to broaden their sales potential if they can meet the demand. Gail said she was going to ask her food service if they would use AFRO deli on certain events. Jim said HealthEast invites a local restaurant in once a month to take over their kitchen for lunch. Mona suggested something like Hirshfields – a local company and all anchors buy paint. Most can work around GPOs if doing service contracts. The conclusion was there was no existing platform other than ACTC to consider and that regardless, this discussion is not a duplication of effort.

Examples

- Fixing elevators
- Professional services
- Create inventory of businesses within the Corridor
- Courier – did RFP and local had best pricing
- Taxi services
- Interpreter services
- Food costs are skyrocketing so any opportunities to reign those in would be great
- Challenge of negotiation because contracts expire at different times – one approach is to get three institutions to agree to jointly purchase and then others can join as their existing contracts expire. This is how ACTC does it.
- Are local businesses ready to handle this demand if we come together? We are happy to help them grow. Are there local supports for the businesses to help them capitalize and manage growth? Yes there are groups like MEDA, NDC, and others.
- Look at what isn't available locally and build a new business. For example, language services. If someone would create a local company, hire local students, etc. this could be great. But they would need infrastructure and maybe some start-up funding. Students could do internships with the company.
- Create a local supplier database/directory.
- Identify specific goods and services and put local suppliers in a directory.
- How do we encourage local firms to hire local workers?
- Decision will still come down to whether the good or service has value for us and cost savings.
- What local company can meet the demand – sometimes smaller vendors will partner together to meet the demand
- It wouldn't be hard for Fairview to look at any category if there is a vendor that can meet the demand.
- It would be great for this group (at the meeting) to share best practices with each other.
- Merrick Services from St. Paul does all the Fairview system recycling...they collect and sort and it has worked great.

- Could we create a matrix of institutional demand and local suppliers?
- Space lease – could we locate some of our operations or storage in leased space on the Corridor?
- Window washing
- Aquarium services
- Travel
- Moving services
- Background checks
- Search firms
- HR services in general – the GPOs don't do it anymore
- Branded apparel and products (glasses, t-shirts, etc.)

Structure

Louis proposed a “straw man” structure for how a collaborative effort could be organized. Quarterly the CEOs would meet to reinforce institutional commitment. The working group would meet monthly to identify opportunities and manage the project.

Question: the straw man has a head and neck but what about the body? How does the work get done?

- Buy in at the top is critical and should be reinforced on an on-going basis.
- If good local businesses provide value, this will be sustainable.
- If a vendor can fill a gap that we can't locally source today, it will be great.
- Group would need to see value within six months or would be hard to remain engaged.
- Find easy wins where anchors can demonstrate ROI.

APPENDIX C

Workforce Professionals Who Participated in Interviews or Meeting:

Laura Beeth
System Director, Talent Acquisition
Fairview Health Services

Jill Bothwell
Workforce Staffing Manager
Health Partners

Kit Brady
Human Resources Manager
Gillette Children's Specialty Healthcare

Ruth Bremer
Human Resources Manager
Regions Hospital

David Brumbaugh
Vice President, Human Resources
Children's Hospitals & Clinics

Mike Christenson
Associate Vice President, Workforce Development
Minneapolis Community & Technical College

Jane Foote
Executive Director
Healthforce Minnesota

Bob Graf
Director, Employment Services
Macalester College

Dorcas Michaelson
Director, Human Resources
Hamline University

Heather Peterson
Director, Community Engagement
Allina East Metro Region

Api Sulistyó
Manager of Talent Aquisition & Development
Macalester College

Vivian Tanniehill
Director, Talent Acquisition
Health East

Andrea Turner
Director, Human Resources
Augsburg College

Steve Peacock
Director, Community Relations
Augsburg College

APPENDIX D

Workforce Development Group

Meeting Minutes, May 2, 2012

Present: Laura Beeth, Heather Peterson, Jane Foote, Kit Brady, Vivian Tanniehill, Ruth Bremer, Andrea Turner, Bob Graf, Api Sulisty, Dorcas Michaelson, Jill Bothwell, Steve Peacock, David Brumbaugh, Mike Christenson, Erik Muschler, Ellen Watters, and Louis Smith.

Welcome and Introduction

Louis Smith welcomed everyone to the meeting and suggested deferring introductions until after Mr. Muschler had provided an overview of this initiative.

Overview of the Anchor Institutions Initiative

Mr. Muschler noted that last November, the McKnight Foundation, Health Partners, and Augsburg College convened a meeting of anchor institution leaders from along the Central Corridor. He noted that this initiative also relates to a \$5 million Sustainable Community grant from HUD to the Metropolitan Council for Corridors of Opportunity, looking for how transit corridor investments can benefit low-income people. This work also finds national context among the Living Cities Network and specific anchor institution strategies from Cleveland, Baltimore, and Detroit have provided important insights.

The first phase of this work developed an environmental scan of the anchor institutions along the Central Corridor. The report recommended a focus on people, placemaking, and procurement. At the gathering last November, the institutional executives heard presentations from speakers about best practices nationally, and also through discussion identified a great deal of interest and excitement about the potential for shared value among anchor institutions in the Central Corridor.

Louis Smith introduced himself and noted that he and Ellen Watters has been retained by the McKnight Foundation to pursue a second phase of this work, exploring specifically the purchasing and personnel issues, and exploring the self-interest of the institutions in furthering this work. Ellen Watters introduced herself and noted that she also works with a related initiative, Jobs Central, and is interested in the institutional relationship between the “Ed’s and Med’s”.

Introductions

Vivian Tanniehill, Health East

Ruth Bremer, Regions Hospital

Andrea Turner, Augsburg College, stated that Augsburg College has a big interest in this initiative, including from its cabinet level leadership. This is an area of community engagement for which Augsburg feels that it must participate and deeply wants to participate.

Bob Graf, Macalester College. This initiative relates to Macalester's interest in sustainability, and the impact of the Central Corridor LRT has implications on college employment as well as safety and transportation needs of students.

Api Sulistyo, Talent Acquisition for Macalester College. The initiative also presents an opportunity for furthering civic engagement for Macalester.

David Brumbaugh, Children's Hospital is a major employer at both ends of the corridor as well as smaller clinical locations along it.

Mike Christenson, Minneapolis Community and Technical College. This initiative presents an opportunity for MCTC's enrollment, as well as an opportunity to pursue a vision of recruiting young scientists.

Dorcas Michaelson, Hamline University, and formerly HR Director for the University of Minnesota Medical School.

Steve Peacock, Augsburg College Director of Community Relations. Augsburg has a deep commitment and interest in this initiative.

Jill Bothwell, Health Partners

Kit Brady, Gillette Children's Hospital

Jane Foote, Health Force Minnesota

Heather Peterson, Allina Director of Community Relations, East Metro. In addition to United Hospital, Allina has a significant clinical presence at Highway 280 and University with 600 employees.

Laura Beeth, Fairview. Having participated in work force partnerships at the state, regional, and neighborhood levels, it is clear that partnerships are working, and we should continue to build on our existing assets. Fairview's CEO is deeply invested in this initiative, and our success is a matter of connecting the right people who are interested in further collaboration.

Anchor Institutions and Health Careers Pathways

Laura Beeth reviewed the Cedar Riverside Partnership's Health Careers Pathways Initiative, noting that Fairview saw a need to link its employment forecasting with neighborhood demographics. By using its forecast of job openings over the next five years, it worked with Augsburg College, the University of Minnesota, and other partners to identify the training and educational pathways to those jobs. From there, initiatives connecting community organizations and related youth initiatives to these training and educational opportunities became a key focus. As a result, the Partnership developed an outreach to high school youth by creating a Scrubs Camp experience at Augsburg College. This one-week summer camp is now in its fourth year and has been tremendously successful in drawing urban youth to a vision of health careers. It is also linked with related strategies at Roosevelt High School, the Augsburg Fairview Academy, Step Up and other initiatives. The key was to link the strategies together with existing assets, and utilize support from Fairview's CEO and other leaders. The most important element of this

work is to make these careers more visible to neighborhood residents and their families. The initiative has also demonstrated the value of collaborating and sharing the work among the institutions.

Identifying and Prioritizing Work Force Needs and Opportunities for Collaboration in the Central Corridor

Louis Smith noted that a key part of this conversation is institutional self-interest. He acknowledges that most, if not all of the organizations are able in the present economy to fill job openings without any special community recruiting efforts.

Vivian Tanniehill noted the Power of You Initiative and asked how it related to the Health Careers Pathways. Mike Christenson noted the connection, and stated that as a result of the Power of You, the enrollment in college from Minneapolis high school students has doubled in recent years. He noted that many of the institutions represented at the table had non-profit missions, and the self-interest of MCTC is to increase enrollment. Jane Foote commented that the Scrubs Camp is a “toy in the sandbox” that allows institutions to experiment with outreach to youth about health careers, and see what we can learn from this work.

Mike Christenson suggested that it would be useful to conduct a survey of Central Corridor households to identify students who have an interest in science and might be recruited through the Step Up Program into certified nursing assistance training, RN training, and four-year degrees through a health career laddering model.

David Brumbaugh stated that the health careers work Laura mentioned is a great initiative and presents another example along with the work of the Phillips Partnership from which organizations can share knowledge and leverage their activities. A lot of this work involves an underpinning of social services, through organizations such as PPL, which provide work readiness and support systems. The opportunity for Minneapolis and St. Paul to share this work along the Central Corridor seems significant.

Louis Smith noted that many of the educational institutions seem to position themselves around the theme of sustainability, and there was a general affirmation that the LRT investment connects to this theme. Laura Beeth noted that there is an institutional self-interest to have employees model the surrounding neighborhoods. She also noted with the increasing cost of parking infrastructure, a transit investment also fits with an organization’s transportation management planning.

Andrea Turner stated that this type of initiative also connects strongly to student success. Forty percent of Augsburg students are students of color, which then points to the question of the composition of the faculty. The more that the faculty and staff of Augsburg College represents the student population and surrounding neighborhoods, the stronger the model of success. Parents are also very interested in career and employment opportunities for their students. The employment connection also relates to service learning.

Jill Bothwell stated that she agreed the important interest of hiring personnel to reflect the community population. Health Partner’s work force is 25 percent “diverse,” but its leadership is 10 percent. There is a strong push from Health Partner’s leadership to continue to develop a work force that reflects the patient population. Anchor institution strategies which advance this

goal are important. Health care organizations will have a stronger competitive position the more their work force reflects the community. But there are important gaps to fill, and this pathways model of connecting educational opportunities to health careers is very necessary.

David Brumbaugh stated that the deepest self-interest of health care organizations is to deliver the best possible health outcomes, regardless of ethnicity, for the community. The current disparities in outcomes among communities of color and lower income communities suggest that attention to the cultural competency of the work force is critical.

Andrea Turner noted that these kinds of initiative must be woven into the organizational fabric, to get to the “so what?” It is not just simply a matter of having better perceived relationships with the community, but long term, ultimate goals of connecting diversity student, patient, and work force populations to outcomes and the institution’s mission. Vivian Tanniehill noted that health care has advanced cultural competency way ahead of other private industry sectors. Dorcas Michaelson stated that the support mechanisms are key to retention.

Louis Smith asked how these institutional interests might be served with an initiative focused on the Central Corridor, compared to the many other venues where collaboration is taking place. Laura Beeth noted that there are many state and regional initiatives, including through the Minnesota Hospital Association, HEAP, the United Way, and MnSCU. The key is to make sure that work in this corridor takes advantage of, and does not duplicate, these other efforts. Ellen Watters suggested that perhaps work in the Central Corridor could be a demonstration setting for the broader initiatives. Jill Bothwell agreed, noting that an initiative here would find difficulty operating by itself, but could find value perhaps through serving as a pilot or demonstration of broader initiatives.

Heather Peterson agreed that there are many demands on human resources staff in health care and many other tables where these conversations are taking place. The first focus should be on utilizing those other tables, and avoiding any duplications of effort. Laura Beeth and Jill Bothwell noted that funding is an issue to keep in mind.

David Brumbaugh noted the success of the Step Up program and asked whether it would be useful to scale it to this corridor, not necessarily duplicating or adding funding, but providing focus. Bob Graf stated that he finds this conversation exciting, but struggles with how it fits with Macalester’s interest. He noted that Macalester’s curriculum does not directly focus on health care. Jane Foote noted that there is an important place for the social justice mission and liberal arts curriculum for many aspects of the health care work force. She also suggested that the Scrubs Camp initiative could be replicated or expanded to a larger scale to fit the needs of institutions along the central corridor.

The discussion noted a focus on both health career employment, as well as employment at the higher education institutions. Api Sulistyono noted that Macalester’s Career Development Center would be one point of linkage, and Dorcas Michaelson noted that she was excited with this conversation but needs to continue to find a connection for liberal arts college students. The group discussed the future need of health care organizations to hire community health care workers as one example.

Steve Peacock asked about the possibility of aggregating forecast data among the institutions in the corridor, in order to identify priorities and then plan clear pathways to those best job

opportunities. Mike Christenson stated that it was a matter of breaking through the orthodoxies in traditional work force development activities. Perhaps it might involve going door to door to households in the Central Corridor neighborhoods, reaching out to high school students who may have an interest in science and therefore an interest in pursuing health careers. He also stated that the parking and transportation management issue clearly relates to self-interest, given that parking ramp stalls cost \$35,000 each. Long-term capital planning for the institutional facilities therefore can benefit by the transit investment.

David Brumbaugh stated that he felt it was valuable to reaffirm a focus on youth, given that 15 percent of the work force is forecasted to retire in the next five to seven years. The key is to reach youth and recruit them into the educational pathways that will produce skilled employees.

The group noted that home healthcare and long-term care are also opportunity areas. Heather Peterson noted that much of the growth forecast in the healthcare work force will be in home healthcare and nursing homes, not necessarily the hospital-based jobs among the institutions at the table. The Long-Term Care Association could be an important partner.

Mike Christenson suggested another meeting at which the forecast data would be aggregated along the Central Corridor, and from there, the group could focus on options for delivery models for both youth and adults. Laura Beeth noted that the Minnesota Hospital Association had identified projections of critical shortage areas in health care employment. David Brumbaugh noted that once you identify these opportunities, then the focus should be on the gap of skills and necessary training. Laura Beeth suggested a pipeline of incumbent workers could be provided necessary training to move into those skilled positions. Eric Muschler noted that Boston has a great example of an initiative which recruited entry-level workers, and from there developed initiatives for incumbent employees to advance along health careers ladders. It is a matter of partnerships among community organizations and the employers with key supports for pre-college recruitment.

Mr. Smith thanked everyone for their time and attention to this conversation, and indicated that everyone would receive a report of this meeting and future follow-up opportunities.