

REVISED
July 1, 2014

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>6b</u>
Date of Meeting	<u>July 1, 2014</u>

DATE: June 26, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Luis Navarro, Director, Office of Social Responsibility
SUBJECT: Workforce Development

ACTION REQUESTED

Request Commission adoption of a motion to direct the Chief Executive Officer to implement plans and policies as described in the statement of policy direction attached to complete a strategic plan and implementing policies to improve upon and expand current workforce development efforts in port-related sectors, develop new partnerships with regional stakeholders, and establish contracts with services providers as necessary to deliver on the plan.

OVERVIEW

The Port of Seattle has a long history of interest and action in supporting workforce development efforts in port-related activities. The Port's mission to achieve economic development includes both the generation of quality, family-wage jobs and ensuring a stable, well-trained workforce to fill them. This memo provides information relevant to the Port of Seattle Commission (Commission) approval of a Motion affirming Port commitment to increasing support for workforce development efforts and providing Port staff with clear direction for strategic and impactful next steps.

BACKGROUND

The Port has been directly engaged in workforce development efforts and initiatives for over 20 years, including helping to create the non-profit organization Port Jobs and the Apprenticeship Opportunities Project.

As an employer, the Port supports workforce development through formal programs such as Veteran Fellowships, college and high school internships, internal cross-team internships and other initiatives. With the adoption of the Century Agenda in 2013, the Port affirmed its commitment to workforce development as an integral part of its larger economic development objectives and strategies as follows: *"Use our influence as an institution to promote small business growth and workforce development and increase workforce training, job and business opportunities for local communities in maritime, trade, travel and logistics."*

The Port has contracted for workforce development services for over twenty years. Current contracts include Airport Jobs, Airport University, Apprenticeship Opportunities Project, fishing industry engineer endorsement training, youth maritime career support and research on the

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 26, 2014 – **Revised July 1, 2014**

Page 2 of 6

construction industry's workforce needs. The Port also creates opportunities for job training by setting apprenticeship utilization goals on its construction projects (including women and minority participation), hiring high school and college interns, and partnering with other workforce programs.

In January, the Commission announced its intention to develop a new quality jobs initiative. The Commission held two public hearings in February and April, to review the current workplace environment at Sea-Tac International Airport (Sea-Tac) and to understand the multiple elements involved in a quality job. Features of job quality include not only wages and benefits, but also safety, schedules, job security, opportunities for advancement, transportation to the worksite, and more. Training and accessibility of career pathway opportunities are also important factors.

In May, Alaska Airlines launched a multi-year \$1.5 million investment to support job training at Sea-Tac. The Port will be looking to build upon this contribution to attract similar investments and financial support from other organizations, including Airport tenants and other community-based stakeholders. This will greatly expand training and education opportunities for Airport workers. Staff will recommend the best model to grow the available funding sources to deliver these services.

PROPOSAL JUSTIFICATION AND DETAILS

In 2013, the Commission approved the Century Agenda, as the roadmap to create 100,000 additional jobs over a period of 25 years through economic growth led by the Port of Seattle, to be achieved through several parallel strategies, including using our influence as an institution to promote workforce development. This was with the objective of increasing workforce training, job and business opportunities for local communities in maritime, trade, travel and logistics.

In order to achieve this, Port staff has been working, under the direction of the Port Commission and executives, to develop a workforce development strategy, goals, implementation methods and plans, specific actions and milestones, and impact measures to assess progress toward the objectives. The Port will need to contract for some or all of the identified workforce development strategies and actions.

The Port's Office of Social Responsibility (OSR), established in 2008, is the department charged with implementing social responsibility programs and recommending policy to help ensure equal access to the economic opportunities created by the Port, and will lead on issues of workforce development within the Port.

FINANCIAL IMPLICATIONS

No immediate financial implications as a result of this motion. However, the Request(s) for Qualifications and/or Request(s) for Proposals that will be issued for an expanded multi-year workforce development program, as recommended by staff with support from consultants, will have multi-million dollar financial implications for the Port. Staff anticipates seeking Commission approval to award such contract(s) beginning in late 2014.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 26, 2014 – **Revised July 1, 2014**

Page 3 of 6

STRATEGIES AND OBJECTIVES

Last year, OSR facilitated a cross-division, multi-department working group of Port staff to develop an initial workforce development strategy framework and a set of guiding principles and associated metrics. OSR staff has met with individual Port Commissioners to evaluate potential options and Commissioners have provided significant input on the overall strategy and next steps. The following are the elements that resulted from these consultation sessions:

1. With the assistance of expert consulting services, complete the development of Port-wide workforce development goals and strategies, and the necessary policies, funding sources and allocation methodologies to implement those strategies in pursuit of those goals.
2. Integrate our efforts with other organizations working on these issues, increasing the capacity and efficiency of the regional workforce development system by developing new partnerships and assessing current ones to leverage our efforts effectively.
 - a. Port staff will review existing collaborative models and will recommend applicable multi-partner funding models, and joint program implementation plans, as appropriate. Organizations such as the Regional Workforce Funders Collaborative (supported by the National Fund for Workforce Solutions and their local affiliate, SkillUp); industry-specific partnerships which combine government grants and employer contributions such as the Baltimore Alliance for Careers in Healthcare; and a number of other models and lessons collected by GrantCraft in their research on funder collaboratives.
 - b. Staff will also encourage Airport employers and other entities concerned with workforce development related to the Airport to contribute resources in coordination with the Port, and in accordance with all applicable Washington state and federal regulations that maximize available services and their impact – and develop a fund advisory model to support such collaborative financial support.
 - c. In addition, staff will develop relationships further with potential partners in this area, including community colleges, community based organizations and funders such as the Workforce Development Council of Seattle-King County (WDC), leveraging their strengths and resources to the extent possible legally and capacity-wise to manage additional resources in order to maximize provision and impact of the above services.
3. Increase and enhance workforce development services at Sea-Tac as a part of the Commission-led Quality Jobs Initiative, primarily by contracting with community nonprofits and training providers. Actions the Port may choose to take in 2015 and into the future at Sea-Tac Airport specifically are highlighted in the sub-bullets below:
 - a. Identify the current and future workforce demands of Port-related industries and use that information to inform our efforts.
 - Categorize, document, and share the current and projected workforce demands and hiring needs of Airport (and related) employers with job seekers and community agencies that provide employment services

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 26, 2014 – **Revised July 1, 2014**

Page 4 of 6

- b. Ensure that all members of our community have access to quality jobs in Port-related industries.
 - Expand job placement assistance services to reach more employers at the Airport and connect job seekers to a greater range of jobs, including helping incumbent Airport workers obtain mid- and upper-level job advancement opportunities
 - Provide career awareness and hands-on learning opportunities, including internships, both for youth and young adults to increase attraction to airport-related careers
 - Make on-site support services available to Airport workers to support economic self-sufficiency, from supports to enable participation in education and training to assistance with financial resources such as applying for health insurance through the Exchange, Basic Food, or claiming the Earned Income Tax Credit
 - Increase the number of apprentices on staff in Port departments comprised of skilled trades employees, such as Aviation Maintenance
 - Encourage participation in competitive solicitations for services being procured by the Port from social enterprise nonprofits that provide job training and employment services
- c. Support the development of a supply of qualified candidates in alignment with port-related industry demand and increased opportunities for job training and career advancement.
 - Create maps of the more common potential career pathways that exist within the airport environment, as well as related industries in our region
 - Offer career coaching and career navigation services to incumbent Airport workers interested in career advancement
 - Expand the education and training offerings available through the Airport University program, by adding additional on-site classes on skills needed by Airport employers
 - Provide financial assistance so Airport workers can enroll in classes or training programs offered by colleges or other providers off-site

TRIPLE BOTTOM LINE

Economic Development: Port business partners and all the companies doing business in port-related industries need a skilled workforce to thrive and grow. Having a skilled labor force (particularly in port-related sectors), is a crucial component of keeping existing businesses and attracting new ones- directly supporting regional economic development.

Community Benefits: Workforce development efforts bring together both the supply and demand sides of the labor market and create economic opportunity. For community members, this means helping build awareness of career opportunities in port-related industries, and connections to training for the skills needed to get into and advance within those career paths. When members of our community improve their employment situation, much of that increased income is returned back into our local economy, creating a multiplicative economic development effect.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 26, 2014 – **Revised July 1, 2014**

Page 5 of 6

Supporting inclusive outreach, training, and advancement support programs is a way the Port can work to address employment and income disparities in our region.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

1. Let the current workforce development contracts expire at the end of 2014 and do not solicit for or award additional contracts, ending Port financial support for the most significant external workforce development efforts at the Port. *This is not the recommended option.*
2. Exercise the fifth and final option year on the current Port Jobs contract for a final extension through December 31, 2015, which funds workforce development services at SeaTac Airport, including Airport Jobs and Airport University, as well as the Apprenticeship Opportunity Project (currently provided via a subcontract with ANEW). The contract amount for this final option year, as approved at the time of original contract award would be \$710,000 (not including in-kind facilities provisions), funding services at approximately their current level and configuration. *This is not the recommended option.*
3. Develop a guiding workforce development strategy and goals, budget, and internal policies necessary to carry out that strategy and reach those goals. Directly hire individuals as Port of Seattle employees to implement workforce development services rather than contracting for those services from another provider. A partial-year extension (likely one quarter) of the current Port Jobs contract would be necessary to ensure no interruption of services. *This is not the recommended option.*
4. Develop Commission-approved strategy and guiding workforce development principles, including goals and milestones. Issue the associated RFQ(s) and RFP(s), budget, and internal policies necessary to carry out the strategy and reach the forecasted outcomes and goals. Award contract(s) to service provider(s) following RFP and procurement process. Service provider(s) may include Port Jobs and/or other organizations, pending evaluation of proposals received; either way, exercising a partial-year extension (likely one quarter) of the current Port Jobs contract would be necessary to ensure no interruption of services during the transition period of implementing the Job Quality strategy. *This is the recommended option.*

LEGAL ASSESSMENT

A recent analysis conducted by the Port's legal department affirms that the Port has the authority to engage in workforce development efforts, including new and/or expanded efforts, as long as certain conditions are met. The Port may expend funds to engage in these efforts, but some sources of funds have significant restrictions as to their use, so careful analysis and determination of funding sources, resource allocation and tracking will be essential. The Port may contract with one or more nonprofits, pre-apprenticeship programs, and/or educational providers, or self-perform some or all of the workforce development efforts it chooses to pursue. To limit risk in engaging in future workforce development efforts, the Commission should adopt

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 26, 2014 – **Revised July 1, 2014**

Page 6 of 6

a resolution that deliberately and intentionally lays out their findings, intent, and choices. Staff will provide recommendations for Commission action regarding expansion of workforce development efforts.

ATTACHMENTS TO THIS REQUEST

- Workforce Development Motion

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- April 8, 2014 – Quality Jobs Hearing
- February 11, 2014 – Quality Jobs Hearing
- April 1, 2014 – OSR annual report to Commission
- December 4, 2012 – Commission adoption of the Century Agenda
- November 2, 2010 – Commission authorization of current Port Jobs contract