

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7a

Date of Meeting November 11, 2014

DATE: October 30, 2014
TO: Ted Fick, Chief Executive Officer
FROM: Luis Navarro, Director, Office of Social Responsibility
SUBJECT: Workforce Development Strategy

SYNOPSIS

In adopting the Century Agenda in 2013, the Port affirmed its commitment to workforce development as an integral part of the Port's larger economic development goals and strategies. The Port Commission also finds that workforce development is critical to the Port's primary mission, because it will increase the economic mobility of workers in King County by giving workers increased opportunities to acquire the skills and educational credentials they need to compete for better compensated and/or more desirable jobs and increase the supply of qualified candidates for job openings with employers at the Airport and Seaport, as well as with employers in the surrounding aviation and maritime industries. The Office of Social Responsibility (OSR) has completed an analysis of the opportunities for the Port to remain an important contributor in regional workforce development systems. The recommendations were guided by a review conducted by the Port's legal department regarding legal risks for the Port as it expands its investment in regional Port-related workforce development, and by recommendations from expert consultants in the area of workforce development. OSR will complete a strategic plan by the end of April 2015, for presentation to the CEO and the Commission.

BACKGROUND

The Port has a long history of, and an interest in, supporting workforce development efforts in Port-related activities in order to achieve economic development goals for our region and to help workers in port related sectors. The Port Commission has built on this long history of support by making workforce development a priority for Port staff through public pronouncements and direction to staff.

The Port currently contracts with a non-profit organization called Port Jobs for workforce development services. Programs funded by the Port in 2014 through this contract with Port Jobs include: Airport Jobs/Aviation Employment Center, Airport University, Apprenticeship Opportunities Project, and fishing industry engineer endorsement training. The Port also funded youth maritime career support and a jointly funded research project with the City of Seattle, regarding workforce needs of the construction industry. The Port creates job training opportunities by setting apprenticeship utilization

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goals for the Port's contractors, including goals for women and minority participation on Port-owned construction projects. The Port also hires high school and college interns. OSR staff met with leaders of other workforce development organizations to explore opportunities for collaboration.

On July 1, 2014, the Port Commission further affirmed its commitment to regional workforce development in Port-related industries by adopting a motion increasing activities related to workforce development and career opportunities. The Commission also directed the CEO to present "policies necessary to implement the workforce development strategic plan", describing all actions by the Commission necessary to continue and/or expand the Port's workforce development program (the Program). The plan will include; implementation phasing, funding sources, contract types, expected outputs and outcomes, and an affirmative policy to induce construction contractors to hire socio-economically disadvantaged persons to work on Port-owned construction projects and to select socio-economically disadvantaged persons for openings in apprenticeship programs.

According to the consultants, the Port of Seattle can effectively promote expansion of Port-related industry sectors, economic self-sufficiency and employment equity, increase safety, security, and the welfare of the workforce, and strengthen the capacity to meet its standards for hiring, training, and English proficiency. To do so, they recommended that the Port pursue the strategies described in their full report to achieve the five guiding goals identified in the motion approved by the Commissioners in July 2014 on Increasing Workforce Development and Career Opportunities Activities:

Guiding Goals

1. Identify the current and future workforce demands of Port-related industries.
2. Support the development of a supply of qualified candidates in alignment with industry demand.
3. Ensure that all members of the community the Port serves have access to quality jobs in Port-related industries, and increased opportunities for career advancement.
4. Work to make all jobs at Port-owned facilities quality jobs.
5. Integrate the Port's efforts and use its influence to increase the capacity and efficiency of the regional workforce development system.

The recommendations also focus on the following target industry sectors and employment sites at the Port: (1) Airport-related: Passenger air, air cargo, and connected sub sectors such as logistics, maintenance; restaurant/hospitality/retail; (2) Maritime-related: Fishing, marine cargo, logistics, cruise, ferry, and tug; and (3) Construction: Airport, maritime and non-port projects. Logistics is an important sector and it is found both in airport and maritime; and career pathways address occupations in each sector.

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The strategies recommended build upon the Port's role as an anchor institution for the region. The strategies leverage five ways anchor institutions around the country affect economic and employment outcomes for their communities:

- Purchaser: institutional purchasing toward local business as a buyer of goods and services.
- Employer: offering employment opportunities to local residents.
- Workforce Developer: addressing workforce needs of the cluster.
- Champion in relationship to Port-related industry sectors: stimulating growth of related businesses and institutions in the community.
- Property Owner and Developer: using Port-owned facilities and real estate development to anchor local economic growth.

In developing the draft of the Port's workforce development strategy, OSR consulted with Port staff, Port executives and Commissioners for additional guidance. OSR also requested and obtained in June 2014, a legal risk assessment and review of legal authority to expand programs currently operated by the non-profit Port Jobs under its contract with the Port. If the Commission remains interested in expanding workforce development, the following steps have been recommended:

1. Publish a clear and comprehensive description of the Program, including the specific services that the Commission intends to fund and the source of funds to pay for those services.
2. Publish facts that demonstrate how the Program falls within the statutory safe harbor.
3. Publish a statement about the Commission's goals and intent in funding the Program.
4. Adopt a resolution describing the policies necessary to implement the expansion of Port-funded, or sponsored workforce development efforts and generally related to the Commission's quality jobs initiative that:
 - (i) Includes the Commission's goals and describes intent;
 - (ii) Incorporates the published description of the Program;
 - (iii) Finds that the program falls within the statutory safe harbor;
 - (iv) Explains how the Program would serve the Commission's goals and finds that the Program would serve and advance the Commission's goals;
 - (v) Directs that the Port fund specific services, noting the source of funds;

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- (vi) Directs staff to incorporate into applicable contracts provision(s) to assure that funds are only used for approved programs.

The Port Commission does not intend to duplicate the workforce development efforts and initiatives of the state, other local governments in King County, or the Seattle-King County workforce development council or existing non-profits in serving the people of King County; and the Port Commission desires to use Port funding and Port influence to focus on (1) access to job openings with employers at the Airport and Port-owned property surrounding the Airport, the Seaport terminals and industrial properties, and Port-owned marinas and Fisherman's Terminal; (2) career advancement of the incumbent workforce at Port-owned facilities and properties; (3) pre-apprenticeship training open to all persons in King County who may be deemed socio-economically; and (4) financial assistance to socio-economically disadvantaged persons in King County who are enrolled in a Port-sponsored pre-apprenticeship program, or selected as apprentices and enrolled in an approved apprenticeship program in the construction trades; (5) increasing awareness in the regional education system, particularly through schools and community colleges, of job opportunities in the aviation and maritime sectors.

PROGRAM ELEMENTS

The proposed elements for Commission consideration are an increase of the existing efforts into the three sectors; Airport, Maritime and Construction plus additional elements. The following is a review of the Program elements:

1. Pre-apprenticeship Training

This is an existing element. The recommendation is for the pre-apprenticeship training program to remain open to all residents of King County who qualify as socio-economically disadvantaged persons. Increased funding may be recommended.

2. Financial Assistance to Complete Apprenticeship Training – Construction Trades

This is an existing element. The Port provides funding to a non-profit for the purpose of distributing financial assistance to socio-economically disadvantaged persons residing in King County who are hired as apprentices and enrolled in apprenticeship training programs in the construction trades to enable their continued participation in and graduation from such programs. Increased funding may be recommended.

3. Financial Assistance to Obtain Educational Credentials

This is an expanded existing element. Currently the Port funds Airport University providing a minimum level of college credit and specific course at the airport. The Port may provide financial assistance to the incumbent workforce at Port-owned

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facilities and properties to attain educational credentials such as Associate of Arts and Bachelor of Arts degrees or certain other credentials specifically recognized by the aviation, maritime and construction industries. Staff will recommend the types of degrees and/or industry-specific credentials that employers in the aviation, maritime and construction industries prefer when making their hiring decisions, and the procedures for awarding scholarships to individuals within the incumbent workforce.

4. On-site Classes at Port-Owned Facilities

This is an expanded existing element. There are currently on-site classes, as part of the Airport University. The Port may expand this option by sponsoring, through a contract with a community college or a non-profit provider, on-site classes at the Airport, Fisherman's Terminal, Shilshole Bay Marina or other Port-owned facilities. The incumbent workforce at Port-owned facilities and properties may attend such on-site classes free of charge. Increased funding will be necessary.

5. Career Coaching and Navigation Services

This is a new element. The Port may sponsor, through a contract with a community or technical college or a non-profit provider, career coaching and navigation services at Port-owned facilities and properties. The purpose is to assist incumbent workers in identifying the educational or other credential they need to advance in their careers and map their career goals.

6. Career Fairs/Meet-and-Greets

This is a new element. The Port may sponsor career fairs/meet-and-greets to provide opportunities for the incumbent workforce to meet other potential employers operating at or leasing or licensing the use of Port-owned facilities and properties who may have job openings that represent career advancement. The Port may also participate in regional job fairs to promote employment in port related sectors.

7. Increasing Access to Jobs

This is an expanded existing element. The Port may promote equality of opportunity for all King County residents to compete for job openings that employers at Port-owned facilities and properties may have by increasing and improving advertisement of job openings, outreach to employers to encourage advertisement of job openings, and outreach to communities in King County with higher concentrations of socio-economically disadvantaged persons and assistance with the job application for socio-economically disadvantaged persons.

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8. Participation in the Regional Education System

This is a new element. The Port acting as a convener, may sponsor workshops and conferences that bring together educators and education leaders from school districts and community colleges located within King County, as well as hiring managers and business leaders from the aviation and maritime industries for the purpose of facilitating collaboration amongst stakeholders in workforce development.

9. Increased Partnerships

The Port will seek to strengthen existing partnerships and to develop new and relevant partnerships that will support the program elements. Examples include increased coordination with tenants like Alaska Airlines, and the development of new collaboration opportunities with organizations like the Workforce Development of Seattle and King County, and other public agencies, etc..

10. Proactive Legislative Efforts

The Port may develop and recommend legislation to the Washington State Legislature to further expand the Port's legal authority to engage in workforce development.

11. Port Actions

An important element is the actions that the Port Commission and Port staff can take to support the Program, including using its influence as a convener and as an economic development agency to support and promote regional workforce development in Port sectors. Examples include; the expansion of internships and fellowships opportunities at the Port, participation in relevant regional forums, conferences and important discussions related to workforce development organized by other stakeholders, and regional awareness of the importance of the need of a qualified workforce that can meet the future demands of the employers in Port-related sectors.

FUNDING

OSR staff will include in the strategic plan recommendations for the funding of the Program for review by the CEO and the Commission. Sources may include; Port general funds, including use of airport revenue, tax levy, contributions from tenants and other potential sources.

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PHASING

There are three proposed main elements of the Program, which will be conducted in phases, as follows: (1) Market analysis to identify the current and future workforce demands of Port-related industries; (2) solicitation and award of contracts by sector; Aviation, Maritime and Construction; and (3) annual evaluation of outputs and outcomes.

MONITORING AND REPORTING

Program monitoring will include contract deliverables and outcomes analysis and reporting. The Commission will receive annual reports of the outcomes achieved from the use of Port staff resources, Port-owned facilities as well as Port funding, including; demographics of people served by Port funding, numbers of persons who are provided financial assistance by the Port to attain their credentials and degrees, numbers of persons who are provided on-site classes at Port-owned facilities free of charge to obtain college credits or to build their skills, number of persons who are provided free career coaching and navigation services, n of persons who apply to jobs through the Port-sponsored job board, and number of employers participating in advertising their job openings through the Port-sponsored job board, number of job vacancies filled through use of the Port-sponsored job board; number of persons provided financial assistance by the Port to complete apprenticeship training in the construction trades, number of persons enrolled in the Port-sponsored pre-apprenticeship program; geographical mapping to show where persons provided financial assistance by the Port reside; and geographical mapping to show where persons provided with services such as career coaching and navigation, on-site classes at Port-owned facilities reside. Other metrics will be evaluated and included in the final strategic plan.

ATTACHMENTS TO THIS BRIEFING

- Computer slide presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- July 1, 2014 Commission adoption of Workforce Development Motion
- September 30, 2014 OSR briefing of consultant's recommendations
- December 4, 2012 Commission adoption of the Century Agenda