

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**STAFF BRIEFING**

**Item No.** 7a  
**Date of Meeting** April 12, 2016

**DATE:** April 5, 2016  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Dave McFadden and Marie Kurose  
**SUBJECT:** Workforce Development Briefing

**SYNOPSIS**

The Port of Seattle is committed to using its leadership and institutional assets to grow middle-class jobs and increase equity in employment. Through its Century Agenda and subsequent Commission actions, the Port recognizes workforce development is critical to achieving the Port's economic development mission. In 2016, the Port has substantiated this commitment by more than doubling its financial investment in workforce development.

The Port's workforce development initiatives provide a roadmap and overarching principles to strengthen the Port's key sectors by ensuring they enjoy a robust talent pipeline. They also leverage the Port's leadership and influence to create high quality jobs, increase access to good jobs, as well as to support career advancement, and expand incomes and shared prosperity for our community.

**BACKGROUND**

**The Century Agenda**, adopted in December 2012, expresses the Port's vision of adding 100,000 jobs over 25 years through economic growth it leads while creating economic opportunity for all and promoting social responsibility, and affirms its commitment to using its influence to promote workforce development as an integral part of achieving these goals. The Port's Commission, recognizing the economic and societal impacts of income inequality and the decline of the middle-class, adopted the **Increasing Workforce Development and Career Opportunities Activities** motion in July 2014. The motion further articulated the Port's major goals for workforce development:

- Identify the current and future workforce demands of Port-related industries.
- Support the development of a supply of qualified candidates in alignment with industry demand.

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- 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.
- Work to make all jobs at Port-owned facilities quality jobs.
- Integrate the Port's efforts and use its influence to increase the capacity and efficiency of the regional workforce development system.

### **Why Workforce Development**

The economy is marked by growing income inequality, with growth occurring at the highest and lowest income levels. At the same time, those in the middle are losing ground: they no longer make up of a majority of the population and are falling behind financially. And people of color are disproportionately represented in low income jobs and unemployment.

Although middle class jobs are declining overall, Port-related sectors of the Seattle-King County economy are projected to generate thousands of job openings in the years ahead (due to both growth and replacement needs). Construction is projected to grow faster than average, especially in the near term, adding almost 14,000 jobs between 2013 and 2018. The manufacturing outlook varies by subsector, with some such as machinery manufacturing projected to grow faster than average and others such as aerospace manufacturing projected to decrease. Transportation and warehousing is also projected to grow, although at a slower than average rate.

Many of these port-related sectors are a good source of family wage jobs. For example, 53 percent of all construction jobs in Seattle-King County pay more than \$30 an hour; for manufacturing the figure is 49 percent and transportation and warehousing, 36 percent.

Across all industries, the aging workforce and declining unemployment rates are making it increasingly difficult for employers to find available skilled workers. Future jobs will continue to require even higher levels of skills – even for those traditionally entry level positions. Additionally, the baby boomer retirement and growing diversity of the population are changing the nature of the workforce.

This economic context of a declining middle class and the overrepresentation of people of color in lower income households speaks to the importance of growing quality, family wage jobs and increasing access to these jobs. Rather than seeing these as shortcomings, this is an opportunity to focus the region's workforce development efforts. Sustaining and expanding the middle class will contribute to a stronger economy. And as the population grows more diverse and people of color become the majority, equity and inclusion has become an urgent economic imperative.

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The Port of Seattle can advance its interest in quality, family wage jobs and equity in employment by helping to grow family wage jobs in port-related sectors through its economic development efforts. The strategic investments are designed to connect target populations and priority communities to family wage jobs in port-related sectors; promote career advancement for those in lower wage, lower skill jobs; and improve the quality of such jobs.

### **Strengthening Port Sectors**

The sector approach is aligned with the Port's economic development and community impact goals by explicitly linking the goals of economic development and business competitiveness with workforce development and economic inclusion at the same time. This approach also benefits workers by creating new pathways into the industry and to good jobs and careers. Sector approaches are tailored to the specific industry and seek to increase responsiveness and efficiencies through coordinated planning, collaboration, and shared measurement.

### **Workforce Development Long Range Plan**

The Workforce Development Long Range Plan (LRP) represents the efforts of a cross functional team at the Port to align our actions and tasks with the Century Agenda's strategies and objectives. Its implementation allows the Port to more effectively and transparently improve the Port's ability to support the local economy by creating 100,000 new jobs for the Puget Sound region, while achieving its commitment to increasing self-sufficiency and employment equity for those employed in port-related industries.

In order to ensure a "One-Port" participation and ownership of the Century Agenda, a cross-functional internal team was created between June and September 2015. The LRP process provided an opportunity to leverage our internal expertise and resources to create an overarching framework and roadmap for achieving the Century Agenda's commitments. It unifies and builds on the Century Agenda, Workforce Development Motion (adopted July 2014) and strategic investment plan. It also provides a foundation for the Workforce Development Policy Guidance and Directives.

### **Strategies**

- I. Leverage Port leadership and influence to promote career pathways, equity in employment, and job quality for workers at the Port and at Port-related businesses.
- II. Use Port owned facilities, real estate development, and other economic development efforts to anchor local economic growth.
- III. Develop a stable, ongoing, dedicated funding source to ensure continuity of the Port's investments in workforce development.

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- IV. Utilize Port's position as an Employer to participate in and provide training, employment, internships and community partnerships in support of workforce development goals.
- V. Strengthen and leverage community and industry relationships.

### **2016 Workforce Development Investments**

The 2016 workforce development investments significantly expand the Port's role and influence in key Port sectors. Our investments in Comprehensive Career Pathways encompass a portfolio of sector-based workforce development strategies designed to meet the skill and workforce needs of employers by creating opportunities for workers and job-seekers, including those with low skills, enter employment and advance within a target industry sector towards higher-skill, higher-wage jobs. Investments are focused on port-related industries and include Airport, Manufacturing, Trades and Maritime sectors. Investments fall into the following areas:

- Research, planning, outreach and engagement, and facilitation to develop a career pathways program and implementation plan.
- Job access services, job-training services, and career advancement services
- Career readiness, skills development high school transitions
- Partnerships with workforce development, education and training, and human service entities to sustain career pathways that provide employees advancement opportunities while meeting the short and long term needs of industry sectors

The Comprehensive Career Pathways strategic investments are designed to articulate the Port's role and expanded commitment to workforce development, by enhancing and building on the Port's vision of creating family wage jobs in the region by strengthening port-related industry sectors. They also support the Port's commitments to increasing self-sufficiency and employment equity for people employed in Port-related jobs by:

- Supporting job creation by providing employers with skilled workers required to sustain and grow their businesses.
- Providing a pipeline of employees who are able to meet the workforce needs of employers
- Improving the earning power and self-sufficiency of low-income workers

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<b>SECTOR/ STRATEGY</b>	<b>2015</b>	<b>2016 INCREASE</b>	<b>2016 TOTAL</b>	<b>TOTAL 5- YEAR INVESTMENT</b>
<b>AIRPORT</b>	<b>Airport Jobs/ University \$750K</b>	<b>Career Pathways Research &amp; Pilot +\$175k</b>	<b>\$925,000</b>	<b>\$4,625,000</b>
<b>MARITIME</b>		<b>Career Pathways Training + \$150K</b>	<b>\$150,000</b>	<b>\$750,000</b>
<b>CONSTRUCTION TRADES</b>	<b>ANEW/AOP \$200K</b>	<b>Regional Trades Partnership +\$510K</b>	<b>\$710,000</b>	<b>\$3,550,000</b>
<b>MANUFACTURING</b>		<b>Pilot +\$150K</b>	<b>\$150,000</b>	<b>\$750,000</b>
<b>YOUTH STRATEGY</b>	<b>HS Interns \$64K *</b>	<b>Core Plus +\$200k HS Interns + \$45K</b>	<b>\$309,000</b>	<b>\$1,225,000</b>
<b>TOTAL BUDGET</b>	<b>\$1,014,000</b>	<b>+\$1,230,000</b>	<b>\$2.244M</b>	<b>\$11.220M</b>

### **Airport Sector: SeaTac operations (passenger air, air cargo) and supportive occupations (logistics, maintenance, restaurant/hospitality, and retail)**

The Airport's rapid growth and planned expansion will increase the need to recruit, retain and support the career advancement efforts of this segment of the labor force. The workforce development approach also takes into account key provisions contained in Resolution 3694, which identify the need for "improved levels of general training, education, and/or work experience, employee qualifications for advancement, and corresponding compensation incentives in order to attract and retain a high-quality workforce for the purposes of ensuring a safe and secure Airport."

On September 22, 2015, the Commission approved increased investments and a phased approach to support training, career advancement, and retention services for Airport workers:

- Airport Employment Center & Employment Continuity Contract: Port Jobs was awarded the contract to administer and operate the Airport Employment Center through a competitive RFP process. The contract will start on July 1, 2016 with a total five-year contract value of \$4.050 M.

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- Complete Career Pathways Road Map (Q3 2016):
- Implement Career Pathways Training (2017)

### **Maritime Sector: Passenger Water Transportation, Boat & Ship Building, Fishing & Food Processing, Logistics and Maritime Support**

To date, the maritime sector has not established a comprehensive and ongoing workforce development program. However, with expansion and increased demand for workers, the industry has prioritized workforce development. Elements of the maritime strategy—developed in partnership with the Washington Maritime Federation and the Washington Maritime Workforce Initiative Committee—include:

- Complete Career Pathways Road Map: Labor Market Research to identify in-demand jobs and wages; focus groups, interviews and surveys; and identification of the education, training, employment, and support service needs of job seekers and workers. (Q4 2016)
- Explore Models for Implementation: (Q3 2016)
  - Jobs at Sea – Pre-apprenticeship and Apprenticeship
  - Jobs Ashore – Maritime welding, pipefitting, pipe welding, electrical, electronics, diesel mechanics, or refrigeration/HVAC
- Explore Maritime Jobs Portal (Q4 2016)

The Port's investment will provide the funding needed to leverage additional public and private investments needed to scale the programs.

### **Construction Sector: Building Trades, Maintenance, Heavy & Civil Engineering, Specialty Trades Contractors**

The Port's growing investments in infrastructure projects at the Airport and other capital developments will rely on the availability of a skilled trades workforce. Public and private construction activity has increased and is projected to continue to grow over the next decade. Contractors on Port and other projects are beginning to report worker shortages across all trades. These shortages will cause project delays, and increase the overall cost to the Port as well as other public and private developers. Additionally, the demand for trades workers is growing in the manufacturing and maritime sectors who are reporting difficulty finding and retaining trades workers due to increased competition and wages being paid in the construction sector.

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- **Regional Construction Trades Partnership:** Development and implementation of a Regional Trades Partnership, a coordinated approach of the key public agencies. This will strategically align the Port's workforce development investments with port construction projects, as well as partner with other public agencies to create a regional trades pipeline and system to coordinate planning, funding and support functions. The Port's investment will be pooled or co-invested to support expanded outreach, pre-apprenticeship training, support services, and strategies to increase apprentice retention and completion rates.
- **Apprentice Utilization Requirements/Port Project Labor Agreements:** Analyze City's Priority/Targeted Hire program policies and outcomes.
- **Port Internal Apprentice Utilization:** Identify opportunities to establish apprentice opportunities within the Port's internal workforce.

### **Strengthening High School Career Pathways**

Workforce development needs to include both efforts aimed at both youth and adults to create a pool of workers that aligns with the needs of industry. Building a pipeline of workers to prepare the future workforce requires connecting employers with high schools and other secondary institutions and providing exposure for youth to careers. Core Plus and the High School Internship programs are aimed at providing youth with career awareness and basic skills needed to enter training and/or careers in port related industries.

#### **Core Plus –Basic Occupations High School to Industry/Post-Secondary Transition**

Core Plus addresses the “skills gap” in which many young adults lack the skills and work ethic needed for many jobs – particularly those that pay a middle-high wage. Core Plus is an established, industry-validated, career-related, STEM-based high school learning model. The “core” refers to skills in shop safety, applied math, material science, and teamwork along with tool, equipment and keyboard technologies applicable to entry-level requirements for virtually all high-wage industrial sectors. The “plus” refers to specialized training specific to a single sector such as aircraft manufacturing, construction trades, or marine technology. Core Plus's goal is to provide youth with the core skills and knowledge needed to transition from high school to post-secondary education, employment, apprenticeship, and/or career training in basic industry occupations. Port funds will support the expansion of Core Plus to the basic industries sector including those in the construction, manufacturing, transportation and logistics, utilities, and wholesale trade industries.

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### **High School Internship Program**

Staff is working to triple summer internship opportunities in 2016. The Commission supported this aggressive increase in youth opportunities by increasing funding from \$64,000 to \$109,000 in the 2016 budget. As part of this initiative, staff is looking to establish a challenge grant that encourages maritime, industrial, manufacturing and other port-related employers to hire new high school interns. This effort will increase the number of high school summer intern opportunities, placed at the Port and with other employers, from eight last year to approximately one hundred and fourteen (114) in 2016.

<b>Port High School Internships</b>	<b>2015</b>	<b>2016 Budgeted</b>	<b>Unbudgeted</b>
• HS - Port internship opportunities	8	25	25
• HS – Key Cluster Employer Partnership		20	
<b>Total HS Internships</b>	<b>8</b>	<b>45</b>	<b>70</b>
• Additional College Internships	26	44	44
<b>Total Port Internships</b>	<b>34</b>	<b>89</b>	<b>114</b>
• <b>High School Fellowship (new program)</b>			<b>100</b>

\*The POS also offers shorter career exploration fairs and learning opportunities in partnership with local schools

### **Manufacturing Sector: Food processing, fabricated metal products, industrial machinery, textiles and apparel and transportation equipment**

In response to Commissioner's requests, staff has worked with a number of regional partners and stakeholders (industry, community, educators, and government) to identify the workforce development needs, gaps and opportunities to strengthen workforce development efforts in the manufacturing sector. These efforts include mapping existing workforce development efforts and convening industry representatives and other workforce development and training stakeholders to identify priorities and potential partnership opportunities for the Port. These include: Center for Advanced Manufacturing Puget Sound (CAMPS); IMPACT WA; and Seattle College Initiatives.

### **ATTACHMENTS TO THIS BRIEFING**

- PPT presentation

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- September 22, 2015 - Airport Workforce Development Services Continuity and Expansion
- July 12, 2015 – 2016 RFP and Contract Authorization Request (Airport)
- June 23, 2015 – Airport Workforce Development Services



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- May 26, 2015 – Workforce Development Briefing and Recommendations
- November 11, 2014 – Workforce Development Briefing
- September 30, 2014 – Workforce Development Expansion Strategy
- July 22, 2014 – Commission adoption of Resolution 3694 as amended
- July 1, 2014 – Commission adoption of Workforce Development Motion
- December 4, 2012 – Commission adoption of the Century Agenda