

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

**COMMISSION AGENDA**

**Item No.** \_\_\_\_\_ 7a

**Date of Meeting** \_\_\_\_\_ August 24, 2010

**DATE:** August 18, 2010

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Luis Navarro, Director, Office of Social Responsibility

**SUBJECT:** Port Jobs Annual Report for 2009

**SYNOPSIS:**

Port Jobs is required to provide an Annual Report to the Port of Seattle Commission as part of its 2010 contract obligations. This report will cover the structure and performance measures for each of the 2009 Port Jobs programs; the budget for Port Jobs, including the leveraged non-Port funding from King County, the City of Seattle, the Anne E. Casey Foundation and other funders; and recent developments that bear on the Port Jobs Program.

The Port is Port Jobs' largest funder, providing \$658,543, or nearly 54% of its annual funding. This funding is made up of \$200,000 in an operating and staff support contract, and \$165,000 for a separate contract for Airport Jobs, \$178,571 in in-kind support, and \$114,972 in money generated by the \$.20/hr charge to Port contractors. Port Jobs also competes for funding from private foundation grants, and funding from City, County, State, and Federal governments. The funding from the Port of Seattle therefore acts as leverage for other funding. The result is that for every dollar of Port direct Port support received in 2009, Port Jobs raised an additional \$2.30.

The Port Jobs Program includes:

- Airport Jobs, which served 9,530 jobseekers, and facilitated 534 hires through a total of 357 job listings with 73 airport employers at an average hourly wage of \$9.23.
- The Apprenticeship Opportunities Project (AOP), which enrolled 131 people in pre-apprenticeship programs, placed 63 people in apprenticeships and trades-related jobs, with an average wage of \$18.37/hour, and provided support services to 91 individuals for tuition, union dues, clothing, tools, and supplies.
- Other non-Port supported programs, such as Airport University, which offers airport workers the opportunity to take for-credit college classes, and Financial Tools for the Trade, which offers financial advice to beginning apprentices.

**CURRENT PLANS FOR WORKFORCE DEVELOPMENT:**

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- Services provided by Port Jobs are currently covered under two contracts, which are due to expire on December 31, 2010. On August 13, the Office of Social Responsibility (OSR) formally notified the Port Jobs Program that the Port of Seattle will proceed with a Request for Proposal (“RFP”) process for the contracting of similar services currently received from Port Jobs in 2011, including Airport Jobs. OSR will coordinate with the Central Procurement Office throughout the RFP process. The proposed scope of work, which may include additional deliverables, plus the timing of the RFP and subsequent contract negotiation information, if any, will be made available to all potential bidders in accordance with the procurement policies of the Port. Job creation and workforce development remain important strategies of the Port and the elements of the RFP will reflect that important aspect of the Port’s mission.
- In accordance with RCW 53.19.020(5), the Port of Seattle Commission may exempt Port Jobs from competition, if it finds that a competitive solicitation process is not “appropriate or cost effective” and, by making this determination under the statute, may authorize the Chief Executive Officer to execute a new contract or an extension or expansion of the current Port Jobs contracts. An RFP selection process would not be necessary if the Commission took this course of action.

### **2009 LEGISLATIVE CHANGES:**

House Bill 2651 was signed by Governor Gregoire in March, 2010. This legislation explicitly includes workforce development, specifically job training and placement, pre-apprenticeship training or educational programs, in the economic development activities that Port districts are permitted to engage in.

### **BACKGROUND:**

The Port incorporated Port Jobs (originally called “PortWorks”) as a 501 c (3) non-profit agency in January 1993, with the Director of the Port’s Services Division as one of three incorporating signatories. This action followed the Port Commission’s acceptance of The Working in King County Task Force Report at a Commission meeting in August 1992. The background of Port Jobs’ beginnings is necessary to understanding how Port Jobs developed its programs over the years.

When Port Jobs was created, the Port of Seattle committed to serve as a catalyst to create new job opportunities and provide a highly skilled workforce for the port-related economy; and

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identify potential sources of additional public or private funding to assist in providing training and support services to project participants.

A three-year grant of \$450,000 was secured from the Northwest Area Foundation to help launch the work of Port Jobs, combined with Port support in the amount of \$200,000 annually, and contractor payments of .20 cents per labor hour that were estimated to be \$260,000 the first year.

Port Jobs created Airport Jobs in 2000, with support from the Port, the City of Seattle and the State of Washington, after researching best practices in airport employment models.

### **2009 ANNUAL REPORT:**

#### **Port-funded Programs and Results**

##### **Airport Jobs:**

Program: Since 2000, Port Jobs' Airport Jobs center has served Sea-Tac Airport with a dual-customer focus: airport employers and airport jobseekers, many of whom are incumbent airport employees looking for career upgrade opportunities. Airport Jobs serves more than 50 airport employers in any given year, with services ranging from listing open jobs both online and in the office, to coordinating special hiring events for start-ups or multiple hires, to providing ESL assistance to new hires for the Security Identification Display Area (SIDA) test. (Employees must take this test and pass a security background check in order to hold almost any job at the Airport.) Airport employers served by Airport Jobs include the airlines, ground services companies, concessionaires, food service and rental car companies, and the Port itself.

Funding: The Port of Seattle provides 54% of the funding for the services of the Airport Jobs center; the rest of the funding is provided by the City of Seattle, the State of Washington, the federal government, the United Way and other private foundations.

##### **2009 Results:**

- Airport Jobs served 9,530 jobseekers, for a total of more than 19,000 visits to the office. Airport Jobs facilitated 534 hires through a total of 357 job listings with 73 airport employers at an average hourly wage of \$9.23. In a 2009 retention study for our Annie E. Casey Foundation-funded project at Airport Jobs, we found that 80% of the airport employees placed retained employment at one year.

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- Airport Jobs held four employer workshops to assist employers with recession issues, and conducted 79 hiring events for employers.
- The Airport Jobs center was used by United Way as a Free Tax Preparation site. During the 2009 tax season, the Airport Jobs site hosted 471 airport employees for free tax preparation provided by United Way volunteers. The average gross income of these employees was \$25,500, and, with the help of the United Way volunteers, they received total refunds valued at more than \$500,000, along with Earned Income Credits of \$170,000.

### **Apprenticeship Opportunities Program (AOP):**

Program: The Apprenticeship Opportunities Program (AOP) connects women, people of color, people with disabilities and others facing employment barriers to well-paying jobs in the skilled construction trades, and helps new apprentices stay in the trades by providing case management and retention services. AOP combines a support system for apprentices with an apprenticeship information clearinghouse, which helps low-income individuals qualify for and retain these good jobs.

AOP is operated by Apprenticeship and Non-Traditional Employment for Women (ANEW), and funded by Port Jobs. AOP staff recruits applicants for apprenticeships and trades-related jobs through recruitment events, WorkSource Centers, referrals from pre-apprenticeship training programs, and community-based organizations that work with low-income individuals. AOP's goal is to help each applicant to enter the apprenticeship program or a trades-related job of their choice, and (for apprentices) to remain in that program until they have completed it. To that end, AOP staff provides retention services (such as case management, mentoring, and flexible support services).

AOP's main services include assistance with:

- Choosing a trade
- Understanding the application process
- Case management and support
- Preparation for the apprenticeship or job interview

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Once accepted into an apprenticeship program or upon getting a trades-related job, an individual may need to buy tools, work clothes, boots, pay union dues, or repair his or her car. AOP provides financial assistance to qualified individuals so people can go to work right away.

**Funding:** The Apprenticeship Opportunities Project is Port Jobs' oldest program, dating back to 1993, when it began as the Port Construction Project. Funding is provided through a combination of contractor payments that are passed through directly, (the 20 cents/labor hour, varies annually depending on amount of Port construction), King County, the City of Seattle, and other grants.

**2009 Results:** In 2009, AOP enrolled 131 people in pre-apprenticeship programs, placed 63 people in apprenticeships and trades-related jobs, with an average wage of \$18.37/hour, and provided support services to 91 individuals for tuition, union dues, clothing, tools, and supplies.

### **Non-Port Funded Programs and Results**

Port Jobs partners with a number of other public agencies, community organizations and local businesses to provide other non-Port-funded programs as part of its overall mission.

#### **Airport University:**

**Program:** Created in 2002 in response to the federalization of the Airport Screeners, Airport University won a Governor's Best Practices award for the Airport Security Screeners Project (when?). In 2009, Port Jobs sponsored college credit-bearing classes at the airport in partnership with South Seattle Community College and Highline Community College. In alignment with the current national focus on increasing the number of working adults who have post-secondary credentials, Airport University offers airport workers the opportunity to take for-credit college classes in the business, trade, and tourism sectors without leaving the workplace. Classes ranged from computer literacy courses to a five-credit Human and Labor Relations class.

**Funding:** Airport University receives no Port of Seattle funding. Its major donors include the Seattle Foundation and the Anne E. Casey Foundation. However, the fact that Port Jobs as a whole is funded by the Port of Seattle gives Port Jobs the legitimacy as a nonprofit organization, to leverage funds from these donors. Without such support, this and other programs would likely not be possible.

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2009 Results:

- Eighty-nine airport workers completed college classes in 2009; in nine classes that were held over four quarters. In addition, 19 small scholarships were awarded to airport employees taking classes at two- and four-year colleges.
- Non-credit classes in interview preparation and food & beverage handling were also provided through Airport University for 42 people, at the request of airport employers whose employees are required to take these re-certification classes annually.

### **Financial Tools for the Trades:**

Financial Tools for the Trades is Port Jobs' specially designed program for first-year apprentices in the building and construction trades. The program was inspired by apprenticeship coordinators concerned about apprentice drop-out rates due to financial issues. It includes a four-hour Financial Tools class, which is based on Port Jobs' book *Financial Tools for the Trades: A Survival Guide for Apprentices*.

Funding: The National Endowment for Financial Education and Wells Fargo Bank has funded the development of Financial Tools, which won a Community Reinvestment Award this year from the Federal Reserve Bank of San Francisco. The above-mentioned manual is also sold to other similar agencies for a profit.

2009 Results: In 2009, Port Jobs delivered 15 workshops and trained 197 apprentices in the Financial Tools workshops.

### **PORT JOBS FUNDING:**

The Port is Port Jobs' largest funder, providing \$658,543, or nearly 54% of its annual funding. This funding is made up of \$200,000 in an operating and staff support contract, and \$165,000 for a separate contract for Airport Jobs, \$178,571 in in-kind support, and \$114,972 in money generated by the \$.20/hr charge to Port contractors. Because Port Jobs is a separate non-profit entity, Port Jobs can compete for funding from private foundation grants, and funding from City, County, State, and Federal governments. The funding from the Port of Seattle therefore acts as leverage for other funding, as other funders regard the Port's support as adding legitimacy and long-term economic sustainability to the Port Jobs program. Other current funders include King

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County, the City of Seattle, the United Way, the Anne E. Casey Foundation, and Wells Fargo Bank. The result is that for every dollar of direct Port support received in 2009, Port Jobs raised an additional \$2.30. A budget chart is appended at the end of this memo.

### **RECENT DEVELOPMENTS:**

#### **Recession:**

The global economic meltdown continued throughout 2009, and affected all Port Jobs programs. At Airport Jobs, jobseeker visits spiked, rising over 24%, while hiring decreased by 43% from 2008. In response, Port Jobs ramped up its services to employers, hosting a record number of hiring events and bringing the State of Washington's Shared Work program manager to the airport to work with employers on layoff reduction.

For incumbent airport workers, Port Jobs worked closely with United Way volunteers to serve a record number of low-wage employees (471) with free tax preparation for more than \$500,000 in refunds, and connected low-wage airport employees to public benefits such as Basic Food and Childcare Assistance.

The construction industry was particularly hard hit by the recession, shedding 33,000 jobs in Washington state in 2009. As a result, the apprenticeship and pre-apprenticeship programs suffered, as journey-level workers and advanced apprentices spent months out of work. In response, the Apprenticeship Opportunities Project provided more than \$25,000 in support services, including union dues and tuition assistance to apprentices in 2009.

### **OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:**

- Budget Spreadsheet
- Memo outlining all Port Jobs programs historically, and their current status
- 2009 Port of Seattle Annual Report (separate document)

### **PREVIOUS COMMISSION ACTIONS:**

- December 15, 2009: The Commission authorized the CEO to enter into a 2010 Port Jobs Contract valued at \$607,000.

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- September 23, 2008: The Commission authorized the CEO to enter into a contract with Port Jobs for 2008, with an option to renew for 2009.



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		<b>Port Jobs 2009 Revenue By Source and Program</b>							
		<b>Program Funders</b>							
	<b>Programs</b>	Port of Seattle	King County	City of Seattle	State of Washington	Other Leveraged Funds	Total funding by program sector	Total funding by program	
General Operating - PJ	Operating Support	\$ 100,000		\$ 24,334			\$ 124,334		
	Staff Support	\$ 100,000					\$ 100,000		
	In-Kind	\$ 59,902					\$ 59,902	\$ 284,236	
	Airport Jobs	\$ 165,000		\$ 24,333	\$ 57,000		\$ 246,333		
Airport	AJ In-Kind	\$ 118,669					\$ 118,669		
	Airport University					\$ 382,182	\$ 382,182	\$ 747,184	
	AOP	\$ 114,972	\$ 22,850	\$ 24,333			\$ 162,155	\$ 162,155	
Apprenticeships	Financial Tools for the Trade					\$ 26,102	\$ 26,102	\$ 26,102	
	Total Funding by Funder	\$ 658,543	\$ 22,850	\$ 73,000	\$ 57,000	\$ 408,284			
	<b>Total Funding</b>							<b>\$1,219,677</b>	

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### **ADDITIONAL PROGRAM INFORMATION:**

The following table indicates program which are, or were in the past, part of the Port Jobs portfolio. The table provides program name, years in existence, present status, funding sources, and additional notes.

<i>Program/Study</i>	<i>Program Years</i>	<i>Still Exists?</i>	<i>POS funding?</i>	<i>Other funding?</i>	<i>Additional Notes</i>
Apprenticeship Opportunities Project	1993 -2010	Yes	Yes (contractors)	King County	Subcontracted to ANEW through Port Jobs. Funding source will no longer be \$.20 from contractors
Financial Tools for the Trades	2006 -2010	Yes	No	Wells Fargo Bank, Nat'l. Endowment for Financial Educ.	Sales of the booklet that is used for this program are sold to other non-profits
Free Tax Preparation	2003 - 2010	Yes	No	United Way	Staffed by volunteers, uses Airport Jobs offices during tax season for tax prep to low-income airport workers
Center for Working Families	2006 -2010	Yes	No	Paul Allen Foundation, Anne E. Casey Foundation, Seattle Foundation	Seattle Foundation is the only current funder, other funding being sought
Women in Construction – (Women in Apprenticeship Study)	2006	No	No	Workforce Development Council of King Co.	This was not a program, it was a one-time study
Low-Income Car Ownership Program	2006 -2007	No	No	WSDOT	No longer funded
Working Wheels	1999 -2010	No	No	Solid Ground, King County, WSDOT	Program discontinued for summer, funding being sought
Financial Education and Mentoring	2004 - 2007	No	No	Allen Foundation	No longer funded