

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

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

<b>Item No.</b>	<u>7d</u>
<b>Date of Meeting</b>	<u>May 26, 2015</u>

**DATE:** May 12, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Luis Navarro, Director, Office of Social Responsibility  
Marie Kurose, Workforce Development Program Manager  
**SUBJECT:** Workforce Development Strategy Update and Recommended Options

**SYNOPSIS**

This memo provides options and recommendations in response to the Commission and CEO's desire to strengthen and expand the Port's workforce development strategy and associated investments. Specifically, the recommendations respond to the direction outlined in the Commission motion "Increasing Workforce Development and Career Opportunities Activities as Amended" adopted on July 1, 2014, and the Commission's Quality Jobs Initiative. The recommendations include a sector based approach and an expansion of the Port's funding in regional workforce development in port sectors. A strategic framework for 2016 is proposed as base year from which staff will recommend next steps and timeline beyond 2016, aligned with the Port's new General Delegation and development of Policy Directives, and legislative authority, which will inform a 5-year plan.

**BACKGR`OUND**

The Port of Seattle has made significant commitments to expand its involvement in workforce development, including:

- **The Century Agenda**, adopted in December 2012, which 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 workforce development as an integral part of achieving these goals;
- **Resolution 3694**, adopted in July 2014, which relates to safety and security at Seattle-Tacoma International Airport and the necessary hiring standards, training opportunities, and minimum compensation required to maintain a well-trained workforce at the Airport, which establishes the need for additional training for Airport workers and support for their career advancement; and
- **Port Commission's motion on Increasing Workforce Development and Career Opportunities Activities**, adopted in July 2014, which articulates the Port's major goals for workforce development and directs OSR to develop effective strategies to achieve them.

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- **Employment Services**, the Port provides employment services under a service contract with the non-profit organization Port Jobs.
- **Apprenticeship Opportunities Program**, the Port has supported apprenticeship and pre-apprenticeship programs

At the September 30, 2014 Commission meeting, OSR and the consultants from Insight Center provided a comprehensive briefing of the consultants' analysis and recommendations including; sector analysis, cost estimates (10 years), and proposed scope of work for the various Requests for Proposal. Based on the CEO request for additional information prior to moving forward with the recommendations, the Commission agreed that OSR present a revised strategic investment plan for approval at the end of April 2015.

OSR has completed a workforce development strategic plan, identifying opportunities that support the Port's mission and strategic goals, enhance or expand existing efforts, strengthen regional partnerships, leverage outside resources, and those with potential for greater impact. We conducted additional analysis, engaged stakeholders, developed new partnerships, and other efforts to refine the workforce development recommendations and maximize Port investments.

### **RECOMMENDED STRATEGY**

The recommendations 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.

#### **Prioritize Investments**

- Promote career pathways, equity in employment, and job quality for workers at the Port and at port-related industries
- Strengthen employer participation and ongoing engagement
- Support greater alignment and strategic partnerships with regional stakeholders
- Move from planning to implementation and action
- Increase efficiency, effectiveness and impact

#### **Apply a Sector Approach: Recommended Framework**

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 the 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 specific industry and seek to increase responsiveness and efficiencies through coordinated planning, collaboration, and shared measurement.

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The proposed sector approach or industry-focused workforce development partnerships support economic growth and industry competitiveness by cultivating and strengthening the skills and education of the workforce, and leverage the Port's status as an "anchor institution" for regional economic development, including its roles as workforce developer, employer, purchaser of goods and services, property-owner and developer, and champion in port-related industry sectors.

### **Targeted Port Sectors**

We propose the Port focus its efforts on the sites and industry sectors in which it is most directly involved:

- **Airport** Provides direct support to Sea-Tac Airport operations (passenger air, air cargo, and connected sub sectors such as logistics, maintenance, restaurant/hospitality, and retail)
- **Maritime** Support the growing maritime industry (fishing, marine cargo, logistics, cruise, ferry, and tug)
- **Construction** Supports the pipeline of qualified workers (with emphasis on port-related construction sub-sectors and projects)

## **RECOMMENDED INVESTMENTS**

### **Investment Types:**

We recommend the Port invest in the following areas in the sectors:

- **Industry Engagement/Program Development:** Labor market analysis, including employment equity analysis, career pathways mapping, program and fund development.
- **Job Access, Career Advancement and Retention Services:** Job access services, job-training services, high school internships, and career advancement services.
- **Regional Partnerships/Intermediary:** Partner development and collaboration, coordination across functions, troubleshooting, continuous improvement, connector and coordination, focus on common data systems and track metrics, system building, fund development and leverage.
- **Evaluation:** Develop and implement evaluation methodology to measure the effectiveness and impact of the Port of Seattle's investments and actions related to the Port's workforce development goals.

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### **2016 INVESTMENT OPTIONS**

These recommendations are for 2016, Year One of the Five Year Investment Strategy. The 2017 – 2020 work plan and budget recommendations may be adjusted based on stakeholder input, the upcoming Workforce Development Policy Directive, evaluation, and program development.

	<b>Option 1 Maintain Current Investment</b>	<b>Option 2 Expanded Investment</b>
<b>CONTRACTS</b>		
• Industry Engagement/Development & Implementation	0	\$50,000
• Airport	\$750,000	\$950,000
• Construction	\$200,000	\$850,000
• Maritime	\$107,000	\$200,000
• Metrics to Drive Results Evaluation	0	\$50,000
<b>TOTAL CONTRACTS</b>	<b>\$1,057,000</b>	<b>\$2,100,000</b>
<b>HIGH SCHOOL INTERNSHIPS</b>		
• Challenge grants to increase internships with Maritime employers	0	\$25,000
• Port Internal	\$9,000	\$27,000
		<b>\$52,000</b>
<b>TOTAL INVESTMENT</b>	<b>\$1,066,000</b>	<b>\$2,152,000</b>

### **CONTRACTS**

#### **Airport Sector Recommendations**

Increase investment to expand the Airport-related job access and training services currently offered through our contract with Port Jobs for Airport Jobs and Airport University. Our recommendation is based on current and emerging needs.

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 recommended workforce development strategies will provide employers in airport-related industry sectors with ready access to a pool of qualified applicants. They also take into account key provisions contained in Resolution 3694, which identify the need for

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“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.”

They also state that “addressing these needs will aid in reducing workforce attrition, increase Airport safety and security, and promote the public health, safety, and welfare of the workforce and the general public at the Airport,” and they set policy regarding related standards in the areas of hiring, training, and English proficiency. This particular focus on job quality at the Airport, which we recommend the Port expand, provides a basis for increased investments in training, career advancement, and retention services for Airport workers.

<b>SCOPE OF WORK: ACTIVITIES</b>	
<b>Current \$750,000</b>	<b>Expanded \$950,000 (\$250,000 Increase)</b>
<ul style="list-style-type: none"> <li>• Job Matching/Placement</li> <li>• Career Navigation &amp; Counseling,</li> <li>• Job Readiness Training</li> <li>• Industry-Specific Skills Training</li> <li>• Employer Services</li> <li>• Job Fairs</li> <li>• Targeted Recruitment</li> <li>• Customized Training</li> <li>• Fund Development/Leverage</li> </ul>	<p><b>Continuation of Current Plus:</b></p> <p>Expanded Training (Airport Univ.)</p> <ul style="list-style-type: none"> <li>• Job-Related Basic Skills &amp; English Language Training</li> <li>• Career Advancement/Industry Specific New Training Partnerships</li> </ul> <p>Increased Career Navigation</p> <p>Retention, Support, &amp; Tracking</p> <p>Data and Evaluation</p>

<b>Airport Sector Metrics</b>	<b>Current</b>	<b>Expanded</b>
• Individuals Served (unduplicated)	6,499	7,000
• # of Job Placements	1,236	1,250
• # of Hiring Employers	75	100
• Placement Hourly Wage	\$10.28	\$10.50
• Employers Served	100	100
• Job Listings	925	1,000
• Training Enrollments	337	400
• Training Completions	327	350
• New Funds Secured	\$1.9m (3 yrs)	1 new funder
• New Training Courses Offered	4	2

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### **Additional Metrics (Expanded Investment):**

**Outputs:** Implementation of new work-based English and/or basic skills training, new employer partnerships, leverage (program, funding, support), and the development of a new participant data and tracking system to collect longer-term career advancement and retention outcomes.

**Outcomes** (of individuals completing training): Job/Career Upgrades (60%), Increased Wages (70%), and Job Retention (6 month- 60%, 12 month-50%).

### **Construction Sector Recommendations**

A significant increase in investment to expand the Port's support for the construction sector. The proposed investment will contribute to the development and implementation of a Regional Construction Partnership, a coordinated approach of the key public agencies. The Port's growing investments in infrastructure projects at the Airport and other developments will rely on the availability of a skilled construction workforce. Additionally, 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.

The recommended approach 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 construction 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. Additionally, it will support a coordinating/intermediary function to partner with local stakeholders (unions, contractors, community agencies, training providers, and public agencies) to streamline and strengthen the pipeline. This approach responds to the findings and recommendations from the recent Construction Industry Labor Market Assessment report, which documented the ongoing need to ensure strong pathways into the construction trades for all people, including women, minorities, and low-income people, and to increase the completion rate of all apprentices, and particularly those, such as women and minorities, who experience higher-than-average attrition rates.

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<b>SCOPE OF WORK: ACTIVITIES</b>	
<b>Current \$200,000</b> (included in Port Jobs contract)	<b>Expanded \$850,000</b> ( <b>\$650,000 increase</b> )
<p>Subcontract with Apprenticeship for Non Traditional Employment for Women (ANEW)</p> <ul style="list-style-type: none"> <li>• Orientation to the Trades</li> <li>• Career Navigation &amp; Support Services</li> <li>• Job/Apprenticeship Application</li> <li>• Pre-Apprenticeship Training</li> </ul>	<p><b>NEW PROGRAM: Regional Partnership</b> <u>Coordinated Planning and Funding</u></p> <ul style="list-style-type: none"> <li>• Outreach and recruitment</li> <li>• Pre-apprenticeship training</li> <li>• Apprenticeship placement</li> <li>• Participant support and retention</li> <li>• Employer training &amp; assistance</li> </ul> <p><u>Coordination and Support</u></p> <ul style="list-style-type: none"> <li>• Centralized referral and reporting</li> <li>• Contractor assistance</li> <li>• Coordinated forecasting</li> <li>• Stakeholder communications &amp; coordination</li> <li>• Data, tracking, and evaluation</li> <li>• Resource and fund development</li> </ul>

<b>Construction Sector Metrics</b>	<b>Current</b>	<b>Expanded</b>
• Individuals Served (unduplicated)	250	400
• Pre-apprenticeship Completion	50	120
• Apprenticeship Placements	100	200
<b>NEW OUTPUTS</b>		
• Centralized Referral System Developed	--	Report
• Regional Advisory Board Established	--	Report
• Contractor Training and Support	--	Report
• New Funding/Resource Commitments	--	Report
<b>NEW OUTCOMES</b>		
• Apprentice Retention (6, 12 months)	--	85% - 6 month 80% 12 month
• Apprentice Completion # and %	--	Increase from baseline
• Increased # and % Minority and Women Apprentice Completions	--	Increase from baseline
• Increase in projects that achieve apprentice utilization goals (women and people of color)	--	Increase from baseline

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### **Maritime Sector Recommendations**

Establish a fund to support the early development and implementation of a new project and to provide a matching fund to support high school intern slots with maritime employers. The maritime sector has no established workforce development program. However, the industry has prioritized workforce development and has increased employer interest and representation. There are a number of potential projects that are still in development or in need of support to complete. The Port's investment will be targeted to opportunities that have near-term potential for implementation, committed industry partners, and potential impact.

<b>SCOPE OF WORK: ACTIVITIES</b>	
<b>\$107,000 (2014)</b>	<b>Expanded \$200,000</b>
<b>One Time Grants:</b> <ul style="list-style-type: none"><li>Center for Wooden Boats' youth training program</li><li>Support for Maritime study</li></ul>	<b>NEW: Potential Activities:</b> <ul style="list-style-type: none"><li>Career awareness activities</li><li>Co-investment</li><li>Tuition assistance &amp; support</li><li>Core Plus expansion to Maritime</li><li>Increase employer engagement</li><li>Develop industry-driven workforce ready training pathways</li><li>Apprenticeship expansion</li><li>Business plan completion</li><li>Fund development</li></ul>

### **Maritime Metrics: Preliminary**

- Outreach/Career Fairs - Report
- # of Employers Participating in Training/Hiring - 10
- Strategic Investment and Action Plan Completion
- Maritime Job Placements - 25
- Placement Hourly Wage – \$15-\$20
- Job Retention (6 month) – 80%
- Training Enrollments - 20
- Training Completions – 17
- New Funds/Resources Secured – Report
- New Training Programs Implemented



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### **ADDITIONAL INVESTMENT RECOMMENDATIONS**

#### **Industry Engagement/ Development & Implementation**

Support industry engagement in identifying skills, labor market needs, curriculum design, training, and project development. By contracting for labor market analysis, employment equity analysis, and analysis of occupations' compensation and skill requirements necessary to produce career pathways maps, requiring a strong voice in those analyses of employers in Port-related industries, as well as of job seekers and workers, and by providing related information of high value to workforce development planners and providers, the Port of Seattle will meet a need that is important to the Port, employers in port-related industry sectors, and regional workforce development stakeholders.

Labor market research often lacks the voice of employers, as well as job seekers and workers. As a major stakeholder in each of the three target sectors (airport, maritime, and construction), as well as an entity well-positioned to encourage port-related businesses to participate, the Port has a unique leadership role to play in the process of directly engaging port-related employers in workforce development planning, program development and implementation.

#### **Evaluation**

Contract to evaluate the effectiveness and impact of the Port's investments and actions related to its workforce development goals. Evaluation will generate lessons on which the Port can base recommendations for the range of workforce development stakeholders in Port-related industries, including employers, investors, and others as well as programs. Further, the Port can use lessons from evaluation, its understanding of needs in port-related industries, and civic leadership it exerts as an anchor institution. By doing so, the Port can be better prepared to increase the number of other investors in related workforce development, identify the basis for efforts to apply for additional workforce development funding from public, philanthropic, and corporate sources, and advocate for increases in the capacity and efficiency of the regional workforce development system that increase access to good jobs and development of career paths that lead to them, improve job quality, and strengthen employment equity. In addition, it can be better prepared to coordinate with other stakeholders and participate in, convene, or co-convene working groups and coalitions to align strategies and uses of funding; promote changes in the workforce development system, employers' human resource policies and practices, and public policy.

#### **Internships**

Building a pipeline of workers to prepare the future workforce also requires connecting employers with high schools and other secondary institutions and providing exposure for youth to careers. Departments at the Port currently make internships available for college and graduate students, but high school students do not necessarily add enough productivity for departments to shoulder the costs of high school student interns themselves. The Aviation Community Partnerships department currently sponsors seven

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high school internships at the Airport. OSR's budget currently supports two interns in maritime-related jobs at the Port. We recommend an increased investment to support additional internships to provide high school students exposure to a maritime-related careers and industries. This includes an additional 4 internships (6 total) within the Port, and establishing a challenge grant to encourage maritime employers to add 20 new high school internships.

<b>Description</b>	<b>Current</b>	<b>Expanded</b>	<b>Activities/Scope of Work</b>
Industry Engagement/ Development & Implementation	0	\$50,000	<ul style="list-style-type: none"><li>• Employer involvement in identifying skills/labor market needs, curriculum design, training, &amp; hiring</li><li>• Career pathways mapping</li><li>• Program development/pilot</li><li>• Employment equity analysis in port-related industries.</li></ul>
Evaluation	0	\$50,000	<ul style="list-style-type: none"><li>• Development of evaluation models</li><li>• Evaluation of direct outcomes</li><li>• Create outcomes dashboard</li></ul>
Internships	\$9,000	\$52,000	<ul style="list-style-type: none"><li>• 20 High School summer internships in Maritime related jobs<ul style="list-style-type: none"><li>- 6 Port internal</li><li>- 14 with Maritime employers</li></ul></li></ul>

### **2015 DELIVERABLES TIMELINE**

#### **May 2015**

- Commission 2:2:1 briefings
- Commission Briefing (May 26, 2015)

#### **June/July 2015**

- Commission Action: Approval of recommendations and budget (June 9, 2015)
- Approval of OSR 2016 budget
- Release Airport Sector RFPs

#### **August/September 2015**

- Stakeholder Outreach/Engagement (Sector Specific)
- Maritime & Construction RFPs)

#### **October/November 2015**

- Evaluate RFP responses, CEO and Commission briefings on recommendation(s)

#### **December 2015**

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- Negotiate and Execute Airport Sector Contract for January 2016 start date

### **Q1 2016**

- Negotiate and Execute Construction and Maritime Sector Contracts

### **Q2 2016**

- Report on preliminary progress and outcomes

## **ATTACHMENTS TO THIS BRIEFING**

- Presentation slides

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- 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