

Item No.:
Meeting Date:

7d Attachment A
May 26, 2015

Workforce Development Expansion Commission Briefing

Office of Social Responsibility



Overview

- Background
- Recommended investment approach
- Investment options and metrics
- Funding sources options
- Implementation timeline
- Next steps

Previous Commission Actions

Century
Agenda

Strategic Objective

Use our influence as an institution to promote small business growth and workforce development.

Quality Jobs
Initiative
January 2014

Resolution 3694 (July 2014)

- Increase safety and security
- Training, wage & compensation standards

Workforce Development Motion (July 2014)

- Support supply of skilled workers
- Create economic opportunity

Commitment to Quality Jobs

Workforce Development Motion

Adopted by Commission July 2014

Motion Highlights

- OSR to complete a workforce development strategy
- Expand the Port's workforce development program
- Contract with service providers as necessary

Actions to Date

- December 2014 - April 2015
 - Additional analysis, stakeholder engagement & strategy development
- November 2014
 - Decision extended to the end of April 2015
- September 30, 2014
 - Commission & CEO briefing
- July/August 2014
 - Contracted with consultant and completed Legal Department review

Commission publicly supports workforce development

Why Invest in Workforce Development

Current and Emerging Challenges

- Shrinking pool of qualified workers
- Low unemployment rate (4.1%) reduces pool
- Shifting demographics of emerging workforce
- Growing skills gap: Current training not providing the skills needed
- Limited pathways to industry
- Lack of skilled workers limits economic growth

Insufficient pipeline of qualified workers

Traditional Pathway Model

Less than 25% take this path



Source: Ed Morrison Workforce
Development 2.0 Oct 2011

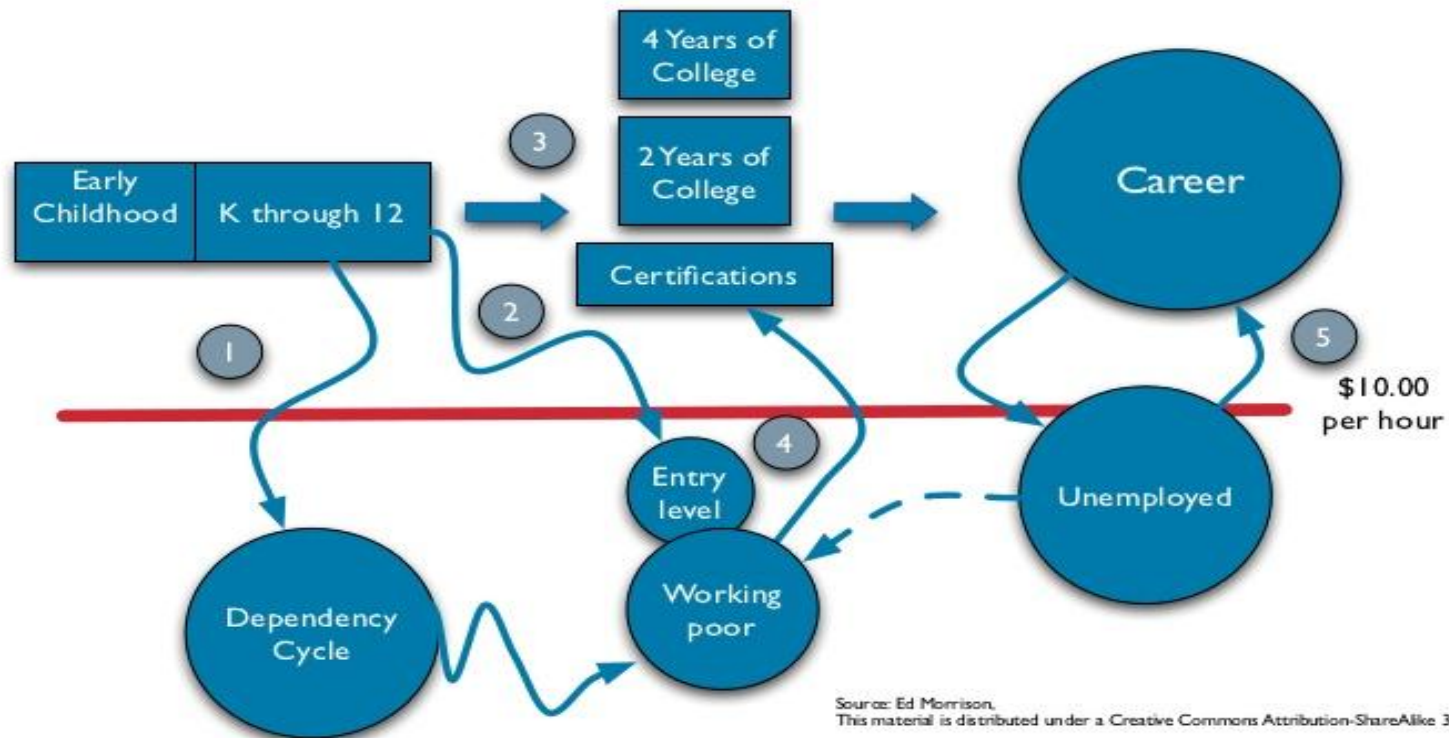
Traditional model is obsolete – 75% to seek other paths

Current System

75% take this approach

Reality I: Take a systems view

Less than 50% are prepared for high income careers



Pathways are complex and difficult to navigate

Solution

Sector-Based Workforce Development

- Focus on common needs within sectors
- Increase employer engagement
- Expand pool of qualified workers
- Address current and emerging skills gap
- Support industry-driven training pathways
- Integrate siloed systems
- Identify smart investments: leverage & collaboration

Expand and Strengthen the Pipeline

Benefits of Sector Approach

BENEFITS FOR BUSINESS	BENEFITS FOR WORKERS
<p>Strengthens economic growth and industry competitiveness</p> <ul style="list-style-type: none">• Expanded hiring networks• Skilled workers• Reduced turnover• Increased worker diversity• Cost savings (recruitment, hiring & training)• Higher productivity	<p>Increases economic opportunities for community</p> <ul style="list-style-type: none">• Access to new job opportunities• Pathways to good jobs and careers• Marketable skills• Improved access for under-represented workers• Better understanding of industry and job market

Improve Connections Between Employers and Community Job Seekers

Proposed Workforce Development Strategy Expansion Recommendations

- Sector Approach
 - Airport
 - Construction
 - Maritime
- Expand & strengthen current efforts
- Leverage Port's role in regional economic development
- Identify new opportunities to leverage federal, state and local investments

Strengthen Port-Related Sectors

Investment Options 2016



Airport

- Current \$750,000 Proposed \$950,000



Maritime

- Current \$107,000 Proposed \$200,000



Construction

- Current \$200,000 Proposed \$850,000



Interns

- Current \$9,000 Proposed \$52,000



Development, Implementation and Metrics

- Current \$0 Proposed \$100,000

2016 will be considered year one – Creating a baseline

Investment Options 2016

	Current Level Port Investment	Proposed Expansion
CONTRACTS		
• 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
Total Contracts	\$1,057,000	\$2,100,000
INTERNSHIPS		
• Challenge Grants to Increase Maritime Internships	0	\$25,000
• Port Internal Internships	\$9,000	\$27,000
Total Internships	\$9,000	\$52,000
TOTAL BUDGET FOR 2016	\$1,066,000	\$2,152,000

- *Recommendations for 2016: Year One of the Five-Year Investment Strategy*
- *2017 - 2020 work plan & budget recommendations to be adjusted based on stakeholder input, Workforce Policy Directive, early results and additional program development*

2016 Year One – Creating a baseline

Airport Sector

Current & Future Labor Market	Gaps/Needs
<p>Increasing Demand</p> <ul style="list-style-type: none">• SeaTac’s growth create new jobs• Safety & security of Airport Operations relies on skilled workforce <p>Current Labor Force</p> <ul style="list-style-type: none">• High turnover in entry level positions• Limited career advancement• Turnover raises safety & security issues• Limited English proficiency• High cost of recruiting screening, and training new employees	<p>Increasing Needs</p> <ul style="list-style-type: none">• Recruitment - new & replacement• Retention support• Training:<ul style="list-style-type: none">✓ Safety & Security✓ Job-Related English✓ Basic Skills✓ Career advancement (Customized) <p><i>* Resolution 3694 English Proficiency Policy encourages employers “to provide paid leave to Covered Employees for on-the-job English proficiency training”.</i></p>

Recruitment, Training, and Retention Needs of Airport Employers

Airport Sector Investment Options

Current \$750,000	Expanded (+\$200,000) \$950,000
Job matching/placement Career navigation & counseling, Job readiness training Industry-specific skills training Employer Services Fund development/leverage	Continuation of Current Plus: Expanded training (Airport Univ.) New training partnerships Increased career navigation Retention, support, & tracking Data and evaluation

Strengthening Current & Future Workforce

Airport Sector Metrics

Metrics	CURRENT(2014)	Expanded Year One
• 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 years)	1 new funder
• New Training Courses Offered (Employer Driven)	4	2

ADDITIONAL METRICS - Expanded Investment		
Outputs	• New Work-Based ESL Training Implemented	2
	• New Employer Partnerships	Report
	• Funds Leveraged (education fte, support resources)	Report
	• Participant Tracking System Implemented	Report
OUTCOMES BASED ON TRAINING COMPLETERS		
Outcomes	• # Job Career Upgrades	60%
	• # Increased Earnings	70%
	• Job Retention (6 & 12 months)	60%, 50%

Measuring Results

Construction Sector

As a major developer, the Port relies on the availability of a skilled construction workforce.

Current & Future Labor Market	Gaps/Needs
<p>Increasing Demand</p> <ul style="list-style-type: none">• Construction activity projected to grow over the next ten years• Increased competition for common pool of workers <p>Current Labor Force</p> <ul style="list-style-type: none">• Aging workforce (retirement boom)• Majority is white, male• Minority and female apprentices have lower completion and retention rates <p>Current/Emerging Labor Shortages</p>	<p>Fragmented Approach</p> <ul style="list-style-type: none">• Pipeline not aligned with demand• Emerging workforce increasingly diverse• Siloed approach to planning, implementation, funding, and evaluation• Lack of coordinated system to support outreach and pre-apprenticeship• Limited capacity of pre-apprenticeship programs• Lack of clearinghouse to support contractors with referrals and data• Need for retention support

Apprentice Pipeline Insufficient

Construction Sector Investment Options

Current \$200,000	Expanded (+ \$650,000) \$850,000
<ul style="list-style-type: none">• Orientation to the Trades• Career Navigation & Support Services• Job/Apprenticeship Application• Pre-apprenticeship Training	<p>NEW PROGRAM: Regional Partnership</p> <p>Coordinated Planning and Funding:</p> <ul style="list-style-type: none">• Outreach and recruitment• Pre-apprenticeship training• Apprenticeship placement• Participant support and retention• Employer training & assistance <p>Coordination and Support:</p> <ul style="list-style-type: none">• Centralized referral and reporting• Contractor assistance• Coordinated forecasting• Stakeholder communications & coordination• Data, tracking, and evaluation• Resource and fund development

Creating a Regional Construction Pipeline Partnership

Construction Sector Metrics

Metrics	CURRENT(2014)	Expanded Year One
• Individuals Served	250	400
• Pre-apprenticeship Completion	50	120
• Apprenticeship Placements	100	200

2016 ADDITIONAL METRICS - Expanded Investment		
Outputs	• Centralized Referral System Developed	2
	• Regional Advisory Board Established	Report
	• Contractor Training & Support Implemented	Report
	• New Funds/Resources Secured	Report
Outcomes	• Retention (6, 12 months)	85% 6 months 80% 12months
	• Apprenticeship: # and % Achieved Journey Status	Increase from baseline
	• Increased # and % Minority/Women Completions	Increase from baseline
	• Increase in % of Projects Achieved Apprenticeship Utilization and Inclusion Goals	Increase from baseline

Pre-Apprenticeship to Airport Construction

“I am so fortunate and proud to be a part of the best trade in the industry.”

Erika was juggling three part-time retail jobs, making \$8 - \$10 per hour and no benefits when she decided to look for a career that would provide her with better wages and opportunities. She learned about the Elevator Constructors Apprenticeship program while enrolled in ANEW’s pre-apprenticeship training.

Erika was accepted into the Elevator Constructors apprenticeship in 2014. She is a member of IUEC, Local 19 and currently working for Schindler Elevator Corporation, making more than \$23 per hour and full benefits: Because of the Port’s apprenticeship requirement she has worked nearly 1,500 hours on the Airport Vertical Conveyance project alone.

She says that it has been challenging to manage work, school and union meetings. “ANEW staff continue to be a mentor to me, and I, in turn, will provide that same experience to future tradeswomen.”



**Erika Smith, Elevator
Mechanic Apprentice and
ANEW Pre-Apprenticeship
Program Graduate**

**Awarded Washington Women
in the Trades “Tradeswoman
of the Future”
November 2014**

Pre-apprentice graduate working through Port’s Apprenticeship Utilization program

Maritime Sector

“.....we have plenty of work coming, but are running out of workers. We are rapidly looking at a workforce problem” COO of local Maritime Construction Company

Current & Future Labor Market	Gaps/Needs
<p>Increasing Demand</p> <ul style="list-style-type: none">• Maritime sector expected to expand between 2016 and 2020• Employers report difficulty finding qualified workers <p>Current Labor Force</p> <ul style="list-style-type: none">• Workforce is aging (nearing retirement)• Predominately male• More educated than national counterparts <p>Worker Shortages Across Industry</p>	<p>Increasing Needs:</p> <ul style="list-style-type: none">• Retaining & recruiting workers• Youth are not entering the industry• Limited connections to job seekers• Increased regulatory requirements• Need for higher education programs for some occupations• Need to increase awareness• Training programs fragmented

Current and Emerging Worker Shortages

Maritime Sector Investment Options

Current \$107,000	Expanded +\$93,000 \$200,000
<p><u>One Time Budget Approvals:</u></p> <ul style="list-style-type: none">• Center for Wooden Boats youth training program support fund• Support for Maritime study	<p>NEW PROGRAM (Potential Activities)</p> <ul style="list-style-type: none">• Career awareness activities• Co-investment• Tuition assistance & support• Core Plus expansion to Maritime• Increased employer engagement• Develop industry-driven, workforce-ready training pathways• Expand apprenticeship• Complete business and funding plan

Support for Early Development & Implementation

Maritime Sector Metrics

Metrics	New Year One 2016
NEW OUTPUTS (Preliminary)	
• Outreach/Career Fairs	Report
• # of Employers Participating in Training/Hiring	10
• Strategic Investment and Action Plan Completion	Report
• 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	Report

Measuring Early Results

Additional Investment Recommendations

Description	Current	Expanded	Activities/Scope of Work
Industry Engagement/ Development & Implementation	0	\$50,000	<ul style="list-style-type: none"> • Employer involvement in identifying skills/labor market needs, curriculum design, training, & hiring • Career pathways mapping • Program development/pilot • Employment equity analysis
Evaluation	0	\$50,000	<ul style="list-style-type: none"> • Development of evaluation models • Evaluation of direct outcomes • Create outcomes dashboard
High School Interns	\$9,000	\$52,000	<ul style="list-style-type: none"> • 20 Maritime Internships <ul style="list-style-type: none"> ○ 6 within Port ○ 12 with maritime employers

Potential Funding Sources

- Tax Levy Options
 - Fund Entire Amount
 - Non-Airport Related Portion (based on FAA audit determination)
- Use General Fund & Airport Revenues
 - Allocate a portion based on services to airport employers and airport operations
 - Review alternate funding models after FAA Audit is final

Funding options available to the Port

Next Steps/Timeline

May 2015:

- Identify Fund Sources and Commission Briefing

June/July 2015:

- Review statutory authority with Port Legal
- Commission Approval of Recommendations & Budget
- Release Airport Sector RFP

August/September 2015:

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

October/November 2015:

- Evaluate RFP responses, brief CEO and Commission

December 2015:

- Execute Airport Sector Contract for January 2016 start

Q1 2016:

- Execute Construction and Maritime Sector Contracts

Baseline work for a multi-year proposal in 2017