



**COMMISSION
AGENDA MEMORANDUM**

Item No.

11a

BRIEFING ITEM

Date of Meeting

May 11, 2021

DATE: April 21, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Luis Navarro, Director, Workforce Development Programs

SUBJECT: 2020 Workforce Development Annual Report

EXECUTIVE SUMMARY

Workforce development is critical to achieving the Port's mission to serve as an economic development agency. As a regional anchor institution, the Port will leverage its cross-sector influence and leadership to promote long-term, sustainable advancements across port-related economic activities that promote equity.

The Port of Seattle Workforce Development Resolution 3776, approved by the Port Commission in June 2020, requires staff in the Office of Equity, Diversity and Inclusion (OEDI) to provide an annual report to the Commission on investments, outcomes, and best practices. The 2020 annual workforce development report also satisfies a requirement under RCW 53.08.245(2)(c) by providing quantitative information on program outcomes including: the number of workers trained, recruited, placed in jobs, and retained; the types of jobs and range of compensation; the number and types of businesses that are served; and any other tangible benefits realized by the port, the workers, businesses, and the public.

In the Port's 2020 budget report, the Port described the economic downturn caused by COVID-19 that resulted in severe declines in trade, travel, and tourism – the lifeblood of the Port. Specifically, the pandemic resulted in the loss of the entire 2020 cruise season and a 61% decline in air travel that severed business activity and connections that took decades to develop. In March 2020, the executive director requested a review of budgets across all Port divisions to address the immediacy of the COVID-19 crisis. The budget review resulted in substantial reductions in planned expenses across all Port divisions, including reductions in the 2020 workforce development budget, requiring a recalculation of the proposed workforce development investments for 2021-2023.

The budget reduction required the workforce development team to recalibrate the ongoing and future work and budget plan beyond 2020, including elimination of staff additions in workforce development, reduction and postponement of planned contracts and consulting services for market data analysis, among other areas.

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BACKGROUND

In June 2020, the Port of Seattle (Port) Commission adopted the Workforce Development Resolution 3776 with the purpose of fulfilling the Century Agenda strategic objectives of increasing equitable access for workers in port-related economic activities in maritime, aviation, construction trades, green careers, and other port related economic industries and activities. Staff in the Office of Equity, Diversity and Inclusion (OEDI) developed a three-year Workforce Development Strategic Plan for 2021-2023 guided by the Port's Century Agenda and key provisions from the Policy Directive adopted in June 2020 to ensure that the Port's investments in workforce development and related activities produce outcomes that support a skilled workforce in Port related industries, and that workforce development programs create equitable access for all.

The Policy Directive under Resolution 3776 provides guidance in two key provisions:

- **Goal 1:** Increase Equitable Access to Economic Prosperity. Increase equitable workforce access for the trades in port-related economic activities, with an emphasis on expanding opportunities to near-port communities, which are most disproportionately impacted. Port staff will develop program priorities, actions, benchmarks, and metrics for success.
- **Goal 2:** Leverage Port Impact and Innovation. Identify and prioritize opportunities for leadership to influence and promote a sector-based approach to workforce development centered on equity, diversity and inclusion.

OUTCOMES AND RESULTS OF 2020 PORT INVESTMENTS

Analysis of *Results of Investments* (ROI) for 2020 was conducted by Port staff and consultant Bob Watrus, a workforce development expert hired to support the analysis. The ROI report is presented in the categories of impact, influence, and leverage.

COVID-19 resulted in a reduction in the 2020 workforce development outcomes compared to the original plan, but we also saw a different kind of outcomes that supported displaced workers and impacted communities. 2020 also showed community resilience and innovation on the part of the Port and community-based organizations (CBOs) that required them to quickly develop client services delivery from in-person to virtual or a hybrid model. 2020 was also a year of commitment by the Port to the communities we serve, as the Port didn't cancel any existing contracts, instead, we added language to allow CBOs under contract to continue to provide the Port funded services virtually or in a hybrid environment.

Port Investments

The Port's workforce development investments in 2020 included \$1.5 million in summer employment for opportunity youth, and \$1.9 million in the port sectors of aviation, maritime, construction trades and in strategic partnerships. Investments included contracts with services providers such as Port Jobs, the pre-apprenticeship organization ANEW, the Urban League of

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Metropolitan Seattle, and the Maritime Youth Collaboration. See **Appendix 1** for sector breakdown.

I. Impact

In 2020, the Port's workforce development investments resulted in 870 job placements, 210 training completions, and 105 youth participating in experiential learning (events and internships), and 196 opportunity youth who benefit from the Port investment in a summer employment initiative. Retention services and supports were provided to another over 100 participants in Port funded workforce development programs who were placed in jobs in 2019.

Types of jobs participants were placed in 2020 included janitorial/cleaning, food service, ramp/airfield, airport customer service, and warehouse/freight in the aviation sector; and apprentice ironworkers, laborers, pipefitters, bricklayers, and cement masons in the construction sector. The hourly wage at placement in aviation was \$16.40, and in construction, \$24.50 plus.

Ninety-two (92) employers hired participants or provided youth internships. Types of businesses included airport concessionaires, ground handling companies, airlines, construction contractors, boat repair shops, recreational boating rental providers, and other maritime employers (e.g., cargo ship operator, marine terminal operator, and marine science and engineering firm).

The majority of participants were people of color. Most also lived in priority communities (e.g., South King County and Priority Hire ZIP codes).

Results in 2020 were significantly lower than those for 2019, due in large part to the COVID-19 pandemic, which had a major disruptive impact on port-related sectors, employers, workers and job seekers, and near-port communities. For example, air passenger traffic at SEA Airport was down about 60 percent in 2020 and thousands of airport workers were laid off. In construction, new Unemployment Insurance (UI) claims totaled over 31,000 during a 32-week period, representing 35 percent of all construction jobs in King County.

The Port's workforce development partners—including employment and training service providers, community colleges, and community based organizations—responded to COVID by moving services online (e.g., information sessions, job search assistance, classes, and internships); connecting people to benefits such as UI and health insurance; and helping address basic needs through food, housing, and transportation assistance.

Even in challenging times, some participants continued to move along career pathways in port-related sectors. One such participant was Jerome Cadelina, who was working as a ramp agent at SEA Airport in 2019, when he entered the aviation maintenance technician (AMT) career pathway program, which is a partnership of the Port, Port Jobs, and South Seattle

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College. Today, Cadelina is working as an aircraft support mechanic while completing South Seattle College’s aviation maintenance technology program. (A profile of Cadelina is attached.)

Sector breakdown

1. Aviation Sector

Airport Employment Center

The Seattle Tacoma International Airport (SEA Airport) Employment Center job placements totaled 857 in 2020, a drop of 62 percent from 2019. This reflects the impact of the COVID pandemic on SEA Airport and travel more generally. The number of employers hiring through the center was 70, a 22 percent drop from the prior year. Training enrollments and completions were also down, but not by a much – 197 training enrollments, a 20 percent drop from the prior year; and 174 training completions, a 12 percent drop.

It’s projected that results in 2021 will increase, but they’ll still be below the 2019 baseline, as SEA Airport and travel continue to recover from COVID. For example, 2021 job placements are projected to be 1,100, about half that in 2019.

The work conducted at SEA through the Employment Center continues to be successful in supporting individuals upskill and enter promising career pathways, as the following quotes affirms:

“Your work at Port Jobs provides opportunities, gives hope, and creates better lives for future generations. As an Airport University student, I am grateful to be the recipient of such generosity. Thank you so very much!” Janae Fisher, Port of Seattle

Through Airport University “I am working here. I am learning here. It’s a great opportunity. I appreciate that every day.” Girmay Worku, Port of Seattle

COVID-19 Impact and Response

Remote and one-on-one in-person job search assistance at the Employment Center throughout the pandemic. Use of computers and internet at Airport Jobs for job search setup by appointment. Free health insurance enrollment fairs for laid off airport workers and community members who’ve lost health insurance benefits. Information on safety net resources such as unemployment, health care resources, food and energy assistance, etc. Online Airport University classes. Alaska Airlines-Airport University scholarships expanded eligibility to include laid off airport workers.

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2. Construction Sector

Construction Worker Outreach, Training, and Retention

2020 construction enrollments, training completions, and placements were down significantly from 2019, with 49 enrollments, down 76 percent; 36 training completions, down 80 percent; and 13 placements in apprenticeships and trades related jobs, down 93 percent. The largest contributing factor: the impact of COVID on the construction sector and the Port's partners in construction worker outreach, training, and retention – ANEW, Urban League, and Ironworkers.

The construction sector was initially hard hit by COVID, with new UI claims representing 35 percent of all construction jobs during a 32-week period. By late summer/early fall, however, there were signs of recovery (e.g., decreases in continuing UI claims, increases in job postings, increases in estimated employment since peak unemployment associated with COVID, and rebounds in estimated employment year-to-year).

With respect to the Port's partners, some halted their services for a time before shifting mostly to online. By mid-year, some were back to providing at least some in-person services, but at limited capacity. They also focused on helping the over 100 participants they'd placed in apprenticeships and trades related jobs in 2019 keep their jobs, providing them retention services and supports.

It's projected that results in 2021 will increase, but they'll still be below the 2019 baseline. For example, 2021 training completions are projected to be 113, 65 percent that in 2019; and job placements 123, also about 65 percent that in 2019.

COVID-19 impact and response: The service providers contracted by the Port delivered services via online outreach, information sessions, and classes. Increased focus on retention, reaching out to apprentices and providing wraparound services and supports, as approved by the Port.

3. Maritime Sector

Maritime Experiential Learning and Internships

In 2020, the number of students participating in maritime experiential learning events totaled 75, a drop of 84 percent from 2019. COVID precluded in-person events – especially the kind of hands on, close quarters events done on boats in past years. Some partners closed shop for part of the year; others moved events online. Over 30 youth participated in virtual internships.

It's projected that the number of students participating in maritime experiential learning events will increase to 200 in 2021, less than half that in 2019. Another 30 youth are projected

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to participate in maritime internships, but we will work with our partners to maximize participation.

II. Influence

The Port's workforce development efforts also aim to influence broader workforce development policies, practices, systems, and investments as they relate to port-related sectors. In 2020, examples included:

- **Regional Public Owners (RPO Group)** – The Port of Seattle is a partner with the City of Seattle, King County, Sound Transit and other public contracting entities in the RPO group, which aims to create a pipeline of skilled, diverse construction workers to meet current and future needs driven by Port and other public infrastructure projects. RPO's goals are to align and champion greater workforce diversification in the trades, increase entry and diversity, and improve retention. RPO's 2020 accomplishments included:
 - Quantitative and qualitative apprenticeship retention analysis
 - Sharing of best practices for workforce diversity implementation
 - State Labor and Industries pre-apprenticeship data collection and reporting
 - Development of shared data picture around entry, retention, and diversity; and discussion of results, best practices, and implications for partner investments
 - Implementation of retention pilots
 - Incorporation of similar contract language around acceptable/respectful worksite standards among RPO partners
- **Youth Maritime Collaborative** – The Youth Maritime Collaborative is a partnership of workforce education and training providers and employers that the Port of Seattle helped establish and promotes maritime career awareness and career connected learning activities, with a focus on low-income youth and youth of color. In 2020, the Youth Maritime Collaborative provided equity training to maritime employers, as a way to promote equitable practices in the maritime industry and create youth internship opportunities for low-income youth and youth of color.
- **Washington Alliance for Better Schools** – With support from the Port of Seattle, the Washington Alliance for Better Schools engaged middle and high school teachers in professional development and curriculum development tied to port-related sectors.

III. Leverage

The Port's workforce development investments also leverage other funding and resources. For 2020, the amount leveraged was over \$2.3 million. This included:

- \$993,000 from Alaska Airlines, Boeing, the Annie E. Casey Foundation, the Workforce Development Council of Seattle-King County, United Way of King County, City of Seattle, King County, and Washington State Department of Social and Health Services (Basic Food

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Employment and Training) to support the Airport Employment Center and Airport University.

- \$1.3 million from other regional public owners (e.g., City of Seattle, King County, Sound Transit, and Washington State Department of Transportation) for aligned investments in construction worker outreach, training, and retention. (The \$1.3 million figure reflects the investments of two other regional public owners in construction worker outreach, training, placement, retention, and support services. Due to timing, it was not possible to get comparable data from the other RPO partners).
- \$60,000 from the City of Seattle’s Office of Economic Development and the Workforce Development Council of Seattle-King County to support summer youth internships in the maritime sector.

IV. Staffing and Total Investments

The proposed strategic plan in 2020, included the addition of program managers for maritime, construction, aviation, youth and green careers, and a senior analyst to support the database analysis and reporting, and the proposed investment was \$11.1 million for 2021-2023. The plan was revised as part of the COVID-19 budget realignment. The revised three-year plan proposes less staff in 2021-2023, and a lower investment total of \$9.3 million for the same period 2021-2023, a reduction of \$2.3 million over the same time period.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation
- (2) Workforce Development Resolution #3776
- (3) Port Jobs Annual Report
- (4) Aviation Maintenance Technician Student Cadelina Testimonial
- (5) WDC-SKC 2021 Regional Plan Executive Summary

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- (1) April 20, 2021 – Commission Equity and Workforce Development Committee briefed
- (2) June 23, 2020 – Commission adopted Workforce Development Resolution #3776
- (3) February 2020 – Commission approved charter for the Equity and Workforce Development Committee
- (4) June 2020 – The Commission adopted the Workforce Development Resolution 3776
- (5) July 2020 – OEDI staff presented the 2021, 2023,-2023 workforce development plan
- (6) July 2014 – The Commission approved a Motion of the Port of Seattle Increasing Workforce Development and Career Opportunities Activities