

COMMISSION AGENDA

Item No: 6D

Meeting: 8/18/22

DATE: August 18, 2022
TO: Port Commission
FROM: Eric Johnson, Executive Director
Sponsor: Commissioners Keller and Meyer
Project Manager: Leslie Barstow, Community Relations Manager
SUBJECT: Workforce Development Strategic Plan Adoption

A. ACTION REQUESTED

Adopt the Workforce Development Strategic Plan. This will increase the Port of Tacoma's workforce development investments within Pierce County by \$169,750, bringing the Port of Tacoma's workforce development investments within Pierce County to a total of \$404,744 in 2023; thus implementing Port of Tacoma Commission resolution 2022-03-PT and Strategic Plan Goal EV-4, as recommended by the Workforce Development Committee.

B. BACKGROUND

RCW 53.08.245 authorizes port districts in Washington state to contract with nonprofit corporations and private and public entities that provide training systems as defined in RCW 28C.18.010 and promote workforce diversity in furtherance of this and other acts relating to economic development.

While the Port of Tacoma has participated in a variety of workforce development-related activities throughout the years, it lacked an intentional, well-defined and robust strategy for this space. Typically, Port investment or participation in this space was responsive to the requests of others, as opposed to one intended to address the needs of the Port or its customers.

In 2021, the Port of Tacoma Commission adopted a five-year strategic plan that includes a strategy calling on the Port to partner with regional organizations to facilitate career development and business growth in Pierce County (Economic Vitality Strategy 4).

To advance Strategic Plan Goal EV-4, and better inform the development of a strategic plan, in 2021 the Port conducted a survey of employers located on the Tacoma Tidelands (see attached December 13, 2021 memo entitled "Workforce Development Survey Results and Recommendations") in which it found:

- Most respondents plan to increase hiring but struggle to find qualified employees
- Basic workforce and interpersonal skills (attendance, reliability, ethics, communication) are the leading challenge for recruiting new employees

- Insufficient technical skills also are an issue, particularly in areas like commercial driver's licenses, forklift training, and mechanic expertise
- Individuals with high school and/or limited post-secondary training are preferred, with advanced degrees not deemed as necessary
- While most respondents would be willing to take on unpaid interns, the numbers are not overwhelming; most insist that the individual be at least 18 years of age
- Employers are interested in additional technical skills development training for their existing employees

Wanting to ensure it was not duplicating efforts, the Port conducted an inventory of existing workforce development programs in Pierce County that focus on the priority areas of construction trades, the manufacturing trades and the maritime and logistics trades (see attached March 7, 2022 memo entitled, "Inventory of existing workforce development resources and recommendations"). The Port found that:

- There are a robust number of programs already available, but individuals, including persons of color, may not be aware of the opportunities available to them
- While programs exist, resource constraints can limit the number of individuals served by programs.

The Commission went on in February 2022 to adopt Resolution 2022-03-PT (see attached) in which it found that workforce development is critical to achieving the Port's primary mission to serve as an economic development agency generating quality, family-wage jobs and economic growth for the region and increasing operational efficiency and economic mobility. The resolution found the Port of Tacoma's overarching workforce development objective is to ensure that the maritime industry has access to workers who have the necessary skills to provide safe and efficient maritime services and that the workers have opportunities to acquire the skills and education they need to secure increasingly complex and better compensated jobs.

Resolution 2022-03-PT directed the Executive Director to develop plans and policies to complete a Workforce Development Strategic Plan and implementing policies to improve upon and expand current efforts in port-related sectors, develop new partnerships with regional stakeholders, work with labor partners in such efforts, and establish contracts with service providers as necessary to deliver on the plan for formal consideration by the Port Commission. The resolution also directed the Executive Director to focus on well-paying jobs that do not require a four-year college degree in the following fields: building trades, manufacturing trades and transportation and logistics trades.

Based on the results of the employer survey and the inventory of existing resources, as well as the guidance contained in Resolution 2022-03-PT, the Workforce Development Committee contemplated 22 investment concepts the Port might pursue as part of the Workforce Development Strategic Plan (See attached April 18, 2022 memo entitled "Potential alternatives for Port investment in workforce development"). Committee members were particularly interested in how the Port might complement existing resources and avoid becoming a service provider. The Committee directed staff to focus on 10 investment concepts, which constitutes the elements in the proposed Workforce Development Strategic Plan.

The Committee also asked that staff seek input from the labor community and communities of color. Staff engaged in conversations with the Washington State Labor Council, Pierce County Central Labor Council, Pierce County Building Trades and ILWU locals 22 and 23.

Additionally, staff has also reached out to the Korean Women’s Association, Tacoma Urban League, Asia Pacific Cultural Center, Black Collective, Mi Centro, Tacoma Women of Color Collective, Black Futures and Hilltop Action Coalition for their input.

Overall, they validated the concepts under consideration, but offered some additional thoughts:

- Ensure interns are paid (NOTE: that is the intent)
- Be mindful of the appropriate ages on worksites; we were encouraged to target age ranges similar to Workforce Central (NOTE: that is the intent)
- They expressed support for apprentice utilization requirements
- Should Tacoma (or Washington) be designated a hydrogen hub by the federal government, consider ways to further expand the Strategic Plan in future years to align with this work (NOTE: Port staff agrees this is an option in the future; the proposed Strategic Plan should be considered a starting point that can evolve over time pending Commission direction)
- Consider opportunities to support CORE Plus programs should they expand in Pierce County
- They expressed overall support for lobbying partnerships around workforce development and offered helpful suggestions of organizations with whom they Port might coordinate.

The Committee also asked for a legal review of the proposal. Overall, Legal validated the approach in terms of compliance with RCW 53.08.245. We also posed the question of how best to address diversity, equity and inclusion in the Workforce Development Strategic Plan. Legal noted that RCW 49.60.400 prohibits “preferential treatment” in public employment. Because Port funds would be used—even for internships at private employers—Legal recommended caution and suggested the use of language around “the creation of an inclusive community through our outreach efforts.”

C. SCOPE

The following items are categorized as major, medium and minor investments. Please note, the recommended initiatives that compose draft Workforce Development Strategic Plan include a mix of existing programs the Port already engages in, as well as new initiatives (denoted with an asterisk):

1. MAJOR INITIATIVES

- a. **Support for the Youth Marine Foundation through the lease of property for the Tacoma Youth Marine Center on the Foss Waterway:** The Port of Tacoma currently leases property to the Youth Marine Foundation (YMF) at a rate of \$2,177.85/month. The Real Estate Department estimates this annual rent is \$185,244 below market rate, freeing up capital for the Foundation to invest in programs and/or other capital investments. Continuation of the lease does not represent additional expenditure; it is listed here simply to reflect existing workforce development investments the Port is already making.

Per the terms of the existing lease, YMF uses the property to support economic development programs including but not limited to job training and placement, pre-apprenticeship training or educational programs associated with port tenants, customers, and local economic development related to port activities YMF is required to annually submit quantitative information about its program outcomes, including the number of workers trained, recruited, and placed in jobs, 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.

On average, over 100 youth are registered for the full-year Sea Scouts program at YMF. The youth train and participate in boating year-round and learn how to maintain and operate Coast Guard licensed vessels in all weather conditions.

- b. **Contract for Internships/Paid Work Experiences with Third Party Employers:*** Contract with an organization (or coalition of organizations partnering together) to provide career launch opportunities in the building trades, manufacturing trades and maritime and logistics trades in Pierce County for youth and young adults ages 16-24 years, supporting the creation of an inclusive community. Wages for these internships and work experience programs would be subsidized and/or reimbursed by the contractor, who would also facilitate worksite agreements and support recruitment and placement into these roles. Jobseekers in the program would gain occupational and industry knowledge while building their resume and gaining valuable experience. Any such contract—per the terms of RCW 53.08.245(c)— would include a requirement to submit quantitative information on program outcomes annually including: (1) the number of workers trained, recruited, placed in jobs, and retained, (2) the types of jobs and range of compensation, (3) the number and types of businesses that are served, (4) and any other tangible benefits realized by the Port, the workers, businesses, and the public. It is assumed this would be a multi-year contract (three to five years) and would be brought before the Commission for consideration and action.¹

By way of example, Workforce Central offers a similar program and estimates that they could provide an additional 14 robust, full-time 40 hour per week paid internships positions in Pierce County with an additional \$100K/year from the Port. Conversely, it could train 16-20 workers in manufacturing, construction or commercial driving with \$100K/year; through matching dollars, they could boost this to 32-40 workers. Please note that this is cited purely for illustrative purposes. It is unknown whether WFC would bid on such a proposal or would even win the solicitation.

2. MEDIUM INITIATIVES

- a. **Port of Tacoma Summer Internship Program:** The Port of Tacoma has offered summer internships for several years, though the program has been suspended due to COVID-19/remote work. Staff anticipates the program will resume in 2023.

Internship opportunities vary each year and are offered through a variety of departments. Most internships are full-time during the summer for students over 18. Students apply classroom learning in a real world setting to perform normal work activities and/or special projects, and gain access to the knowledge and expertise of Port staff.

The Human Resources Department is responsible for coordinating and managing the recruitment process for all internships. Internship opportunities are posted on the Port's recruiting website, as well as disseminated to appropriate educational institutions in Pierce County to include the California Maritime Academy, University of Washington and Washington State University. To be eligible to participate, candidates must be enrolled in an accredited school, college or university.

¹ The Port of Seattle operates a similar program. A copy of their most recent RFP can be provided to Commissioners if requested. While a Port of Tacoma RFP may be similar in nature, staff would seek to simplify the process to meet local needs.

The application and hiring process is accomplished through the normal recruitment processes utilized by Human Resources. Relatives of current employees are not eligible. Students will be considered based on their qualifications and course of study. All internships are paid at an hourly rate of \$20/hour for undergraduates and \$25/hour for graduate students.

Resumption of the program does not represent additional expenditure; it is listed here simply to reflect existing workforce development investments the Port is already making.

- b. **Financial Support for Tacoma Public Schools' Tideflats Certification and Certificate Program:*** This certification program is offered during the summer break in collaboration with the City of Tacoma. Tacoma Schools is also developing a Maritime Skills Center to have year-round similar opportunities for students. Students in this course will earn the following credentials: OSHA 10 (Occupational Safety and Health Administration), United States Coast Guard: Merchant Marine Credential (MMC), and Transportation Security Administration (TSA): Transportation Workers Identification Card (TWIC), Warehouse Forklift, Vessel Personnel with Designated Security Duties (VPDSD). This program is offered at no cost to TPS students, and students are connected with potential employer partners.

The current program is capped at 75 students per year. Under this proposal, the Port would cover the costs of additional students at an estimated rate of \$1,000 per student per year. An annual investment of 30,000/year would fund an additional 30 certifications per year. An interlocal agreement with Tacoma Public Schools would come before the Commission for consideration and action. Any such ILA—per the terms of RCW 53.08.245(c)— would include a requirement to submit quantitative information on program outcomes annually including: (1) the number of workers trained, recruited, placed in jobs, and retained, (2) the types of jobs and range of compensation, (3) the number and types of businesses that are served, (4) and any other tangible benefits realized by the Port, the workers, businesses, and the public.

- c. **Apprentice Utilization for Public Works Projects:** The Port currently requires 15% Apprenticeship Participation for all projects estimated to cost \$1 million or more. Apprentices must come from an apprenticeship program registered and approved by the Washington State Apprenticeship and Training Council. Continuation of this program does not represent additional expenditure; it is listed here simply to reflect existing workforce development investments the Port is already making. All such public works contracts would come to the Commission for their consideration and action.
- d. **Presenting Sponsor of the Hire Pierce County Job Fair.*** This annual job fair held at the Puyallup Fair Grounds showcases career opportunities in the trades and attracts 2,400 high school students from 65 schools every year and features 90 employers/vendors. Event organizers often struggle to secure funding. The Port has been a regular sponsor of the event (\$1K/year) and has hosted an interactive booth at the event.

Staff proposes increasing Port investment into this event to \$30,000. Not only would this make the Port the presenting sponsor of the event, but it would reduce the fundraising efforts for event planners, freeing up capacity to focus more time on planning and executing the event. Funding would be included in the 2023 budget resolution for Commission consideration and action.

3. MINOR INITIATIVES

- a. **Career Exposure Through Community Engagement Activities and Communication Channels:** * Currently, Port staff participate in one or two school career fairs per year. Staff proposes increasing this number to 8-12 fairs per year. This would be accomplished through the use of the new Community Affairs Specialist position, as well as at least one representative from Maintenance. It is worth noting that Maintenance employees' hours are non-billable and run an estimated \$174/hour and typically are only available during regular business hours. They are also pulled off of their normal work to participate.

Additionally, the Port has a goal of participating in 15 festival or farmer market booths per year (assuming the anticipated addition of a Community Affairs Specialist). Collateral materials promoting career opportunities, training opportunities and the Port's investment in workforce development can be included at these events.

As part of these efforts, we would seek opportunities to support the creation of an inclusive community through our outreach efforts. Funding would be included in the 2023 budget resolution for Commission consideration and action.

b. **Workforce Development Advocacy:**

This body of work would fall into three categories:

- i. Advocacy for the Establishment of a Maritime Skills Center: The Port would serve as an advocate for a maritime skills center through the Tacoma School District or other entities to continue encouraging collaboration and coordination as appropriate.
- ii. Political Advocacy:* Working on a federal and state level, the Port would support fellow stakeholders (e.g., Bethel Skills Center, school districts, Tacoma Youth Marine Foundation, community and technical colleges etc.) by including workforce development priorities that support building, logistics and manufacturing trades in the Port's legislative agenda. Examples may include capital budget provisos, increased funding for Core-Plus or other initiatives. The Port could place an emphasis on opportunities that support the creation of an inclusive community.

- iii. Advocacy for Establishment of Technical College Programs to Meet Tenant Needs:* This would involve facilitating conversation between tenants and local technical colleges about training needs to encourage the creation of appropriate programs at the schools. One immediate need is supporting the development of an aluminum welding program for boat manufacturers located at the Earley Business Center.

- c. **Participate in Tacoma Public School's CTE Advisory Board:** Commissioner Keller and Leslie Barstow serve on the CTE Advisory Board. Tacoma Schools would like a presence on that Board and the Career Connected Learning Advisory Board; leadership roles are also available on those boards.

The Port could rally businesses to be a part of the advisory and to be a part of the programming, providing opportunities for the students. This does not require additional expenditure.

- d. **Career Exposure in Elementary School:** The Port has developed tools to introduce elementary school students to the concepts of trade and economics, along with how Port activities impact their community. Designed with the Tacoma School District, the elementary school program is tailored for third grade students but has been successfully used in second and fourth grade classrooms. The mix-and-match elements make it easy to integrate the curriculum into lessons. The in-class activities and worksheets found in the teacher resource handbook can be used individually or along with the Port’s third grade reading book, *Gateway to the World*. This does not require additional expenditure.

D. TIMEFRAME / PROJECT SCHEDULE

Implementation of the Workforce Development Strategic Plan would commence in 2023, predicated on the following:

Item	Date
Commission consideration of 2023 budget resolution, to include funding to implement Workforce Development Strategic Plan	November 2022
Commission consideration of third-party contracts for internship/paid work experiences	Q4 2022-Q1 2023
Commission consideration of ILA with Tacoma Public Schools	Q4 2022-Q1 2023
Implementation of Workforce Development Strategic Plan	2023-
First annual report of Workforce Development Strategic Plan outcomes	January 2024

E. FINANCIAL SUMMARY

1. **Cost:** Below is a summary of anticipated costs. These costs would be included in the proposed 2023 budget resolution. Commission action may be required for certain activities, such as the adoption of the proposed ILA with Tacoma Public Schools. Please note that some of the Strategic Plan elements are already in place and are reflected in the “Annual Expenditure to Date” column. This totals an estimated \$227,994 in annual spending. Other elements are new and are listed as “Additional Future Annual Expenditures.” This would result in an increase in annual spending of \$169,750.

Item	Annual Budget Estimate	Annual Expenditure to Date	Additional Future Annual Expenditures	Anticipated Annual Total Expenditures
Host YMF	\$185,244	\$185,244	\$0	\$185,244
Contract for internships with 3 rd party employers	\$100,000	\$0	\$100,000	\$100,000
Port internship program	\$40,000	\$47,000	\$0	\$40,000
Financial support for TPS Certification	\$30,000	\$0	\$30,000	\$30,000
Apprenticeship utilization	Variable	Variable	\$0	Variable
Presenting sponsor of Hire Pierce County Jobs Fair	\$30,000	\$1,000	\$29,000	\$30,000
Career exposure via community affairs/coms	\$12,500	\$1,750	\$10,750	\$12,500
Workforce development advocacy	\$0	\$0	\$0	\$0
Tacoma Public Schools CTE	\$0	\$0	\$0	\$0
Career exposure in elementary school	\$0	\$0	\$0	\$0
TOTAL	\$397,744	\$234,994	\$169,750	\$404,744

2. **Source of Funds:** Funding for the Workforce Development Strategic Plan would come from various sources. Funding would be included in the 2023 budget proposal. Below is a summary of the source of funds.

Item	Source of funds	
	Budget	Department
Host YMF	Operating	Real Estate
Contract for internships with 3 rd party employers	Operating	Government Affairs
Port internship program	Operating	Human Resource
Tacoma Public Schools Certification	Operating	Government Affairs
Apprenticeship utilization	Capital	Engineering
Hire Pierce County Jobs Fair	Operating	Government Affairs

Career exposure via Community Affairs and Communications	Operating	Government Affairs Communications Maintenance
Workforce development advocacy	Operating	Government Affairs
Tacoma Public Schools CTE	Operating	Government Affairs
Career exposure in elementary school	Operating	Government Affairs

F. ECONOMIC INVESTMENT / JOB CREATION

The economic development system is designed to encourage business and job growth, while the workforce development system works to ensure individuals have the education, skills, and training needed to obtain jobs. They two systems are complimentary of one another. While the investments contained in the proposed Workforce Development Strategic Plan do not guarantee employment, they should improve the likelihood of individuals receiving training in finding work.

With that in mind, the goal of the Workforce Development Strategic Plan is to produce at least:

- 15 youth/per year with skills to maintain and operate Coast Guard licensed vessels in all weather conditions
- 14 robust, full-time 40-hour per week paid internships positions/year with Pierce County employers in the identified trades
- 5 robust, paid internships/year at the Port of Tacoma
- An increase in 30 certifications/year in the identified trades to Tacoma youth
- Exposure to 2,000 students/year to career pathways in the identified trades

G. ENVIRONMENTAL IMPACTS / REVIEW

Not applicable.

H. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1: Do Nothing: This approach would save the Port money by limiting its investment into Workforce Development to existing resources. However, choosing not to adopt a Workforce Development Strategic Plan could be viewed as inconsistent with Port of Tacoma Commission Resolution 2022-03-PT, as well as Strategic Plan Goal EV-4.

Alternative 2: Become a Service Provider: One alternative contemplated by the Workforce Development Committee was to play a more direct role in being a provider of workforce development programs. This might include having the Port itself establish a maritime skills center, play a greater role in facilitating internships with third party employers etc. Committee members were concerned this more direct role as a service provider could be duplicative of existing programs, exceed Port expertise, cost more money and exceed statutory authority granted under RCW 53.08.245. The Committee recommended, instead, a Strategic Plan to compliment and support existing programs.

Alternative 3: Adopt Additional Programs Beyond Recommendation: Port staff provided commissioners a longer list of potential workforce development investment concepts on April 18th (attached). The Port could adopt additional concepts from that list. The Committee demurred, preferring to take a more modest approach to begin with. By doing so, this would provide the Port the opportunity to develop greater expertise in this space and see what works. A more moderate approach also saves the Port money.

Alternative 4: Adopt Proposed Workforce Development Strategic Plan at a Higher Funding Level: Several of the elements contained in the proposed Workforce Development Strategic Plan are scalable, most notably items b, c, e, f and g. The Port could scale funding for these elements upwards. Committee members declined to do so, believing that too high of a cost would conflict with Strategic Plan Goal OS-1 (financial success and fiduciary performance).

Alternative 5: Adopt Proposed Workforce Development Strategic Plan at a Lower Funding Level: The Port could scale funding for these elements downward. Committee members declined to do so, believing the recommended funding levels provide a meaningful but manageable level of investment. Smaller funding levels could be perceived as a lack of commitment to Strategic Plan Goal EV-4.

I. ATTACHMENTS

1. Port of Tacoma Commission Resolution 2022-03-PT
2. Draft Workforce Development Strategic Plan
3. 12/13/21 Memo: Workforce Development Survey Results and Recommendations
4. 03/07/22 Memo: Inventory of Existing Workforce Development Resources and Recommendations
5. 04/18/22 Memo: Potential Alternatives for Port Investment in Workforce Development
6. Presentation