



City of Seattle
Office of Economic Development

Memorandum

Date: January 31, 2011

To: Regional Development and Sustainability Committee:
Council President Richard Conlin
Councilmember Mike O'Brien
Councilmember Jean Godden
Councilmember Tim Burgess

cc: Ben Noble, Central Staff Director
Traci Ratzliff, Central Staff Analyst
Kristi Beattie, City Budget Office
Greg Shiring, City Budget Analyst
Ethan Raup, Mayor's Office

From: Steve Johnson, Director, OED
Nancy Yamamoto, Sr. Policy Advisor, OED

Subject: SLI 29-1-A-2: Clarifying the City's Workforce Development Policies and Investments in OED

In SLI 29-1-A-2, the Council requested the Office of Economic Development (OED) to complete the following work during 2011 related to clarifying the City's workforce development policies and investments:

1. Provide a report describing the program components and budget for the Seattle Job's Initiative's 2011 contract. Program components shall include, but not limited to the provision of: adult education and training to connect low-income and low-skill Seattle residents with jobs in growing local industries that offer benefits and career advancement; and support services such as, case management, housing, transportation, childcare, counseling, and college navigation – to support training completion, job placement and long-term job retention. Due date: January 30, 2011
2. Provide a report describing OED's proposed investment in workforce development and OED's approach for increasing regional alignment around workforce education and postsecondary attainment. Due Date: April 2, 2011

This report responds to the first component of the Council SLI and provides a status update on OED's work to increase regional alignment around college and career attainment.

Seattle Jobs Initiative

Seattle Jobs Initiative (SJI) was initiated by former Mayor Norm Rice fifteen years ago to advance low-income Seattle residents to living-wage careers. It is a workforce development

model, that is focused on ceasing the continuous negative cycling of low-skill individuals through the labor market and putting these individuals on the path to self sufficiency. SJI's primary objective was, and is, to eliminate barriers to good paying, long-term work by creatively aligning support services -- such as housing, childcare, transportation and counseling -- with job skills training and job placement assistance. Since 2005, SJI has worked with 1,200 to 1,600 low-income, low-skilled individuals each year, resulting in higher-paid jobs and access to critical benefits like health insurance. These gains are particularly significant because the majority of the participant's basic skills are at the 5th through 8th grade levels.

The City continues its support of SJI in 2011 with an appropriation of \$2,100,000. This represents a \$253,000 reduction in funding over the 2010 Adopted Budget for SJI of \$2,340,000. Despite this reduction, SJI will maintain its employment and training programs in 2011 by taking the following actions:

- Eliminating 2.5 staff positions of which 2 were unfilled vacant program positions and one part-time contract assistant. The responsibilities of these individuals were redistributed to existing staff.
- Reducing professional consulting fees to support policy, program and best practice research.
- Securing new grant funding in 2010 (SJI was awarded a 2-year \$100,000/yr grant from the Bank of America, a 2-year \$100,000/yr from Paul Allen Foundation, \$30,000 from Boeing Employee Fund, \$30,000 from JP Morgan Chase and \$30,000 from SkillUpWA.)
- Securing more funding from ongoing federal Basic Food Employment and Training (BFET) grants.

SJI's 2011 contracted budget more closely reflects actual annual spending by eliminating the City's prior practice of carrying forward an unspent fund balance from year to year to anticipate for the ongoing employment and training needs of clients who are already in the pipeline, but have not yet completed their training or transitioned into a new career. Instead, the contracted amount for 2011 and for each subsequent year is based on a closer approximation of the actual funding necessary to serve its clients, wherever they are in the pipeline, on an annual basis.

With a difficult labor market and a 9.1% local unemployment rate, SJI's contract maintains the City's commitment to deliver employment and training services, as well as college attainment support, to help low-income residents get the skills they need to obtain living-wage jobs and transition out of unemployment and/or poverty. SJI is deepening its work on increasing college attainment to advance students towards completion of 45 college credits, plus a credential. Research shows this level of educational attainment can result in significant wage gains for individuals. The emphasis on skill-building, provides SJI's clients with the training and knowledge necessary to be competitive for the good paying jobs of today and tomorrow.

CONTRACTED SERVICES

The following provides a summary of the Employment and Training Program, and the Post Secondary Attainment Program that are funded with the City's 2011 contract amount of \$2.1 million.

Employment and Training Program (\$1,623,533 program budget)

SJI's Employment and Training Program strategies link low-income and low-skill Seattle residents to job skills training, support services, employment opportunities, and job retention. These strategies are designed to provide significant wage advancement, as well as benefits and career advancement, for individuals needing immediate attachment to the labor market. In 2011, SJI will enroll an additional 260 individuals in its training programs. In addition, SJI will work to place both individuals who complete their programs, as well those who are seeking a job, for a total of 260 placements in 2011. The Employment and Training Program has four primary strategies:

- **Sector Cohort Training in Manufacturing and Office Occupations**
This program provides short-term training as well as enrollment in credit-bearing classes at South Seattle Community College for cohorts of SJI participants in the high demand occupations of welding and business technology.
- **Sector Pathways**
SJI participants are connected to existing credit-bearing community college workforce training programs in auto service, business technology, certified nursing assistant, areas where there are solid prospects for living wage employment.
- **Vocational English as a Second Language**
VESL combines vocation-based English as a Second Language with job skills training, employment, and support services with community partners.
- **Individualized Placement**
This program provides job placement services and assistance for low-income job seekers. Through its large network of local businesses that are looking for qualified employees, SJI strives to connect job seekers to positions that provide a living wage, benefits, and a career pathway for participants needing immediate employment.

All of SJI's Employment and Training Program strategies will include comprehensive wrap around support services for participants during training, placement, and retention to help ensure that participants complete training and job retention goals. As a component of its Employment and Training Program, SJI will also work closely with industry and business to ensure that program strategies are relevant to current and future labor markets.

Post Secondary Attainment (\$476,467 program budget)

Washington is continuing to shift to a college economy, with 67% of all state jobs requiring a college degree or credential by 2018.¹ At the same time, a staggering 61.8% of all working-age adults in Washington have no college degree.² Even with today's high unemployment rates, many Washington state jobs are being unfilled, particularly those with occupational-specific skills, such as an emergency room nurse.

SJI will continue to operate its new College Attainment Strategy in 2011. Launched in June of 2010, the College Attainment Strategy is an effort to connect more low-income/low-skill Seattle residents to community college and support their persistence toward completion of one- and two-year credentials. Specifically, 90 participants will be supported through up to four quarters of college enrollment in key industry sectors. Through case management and support services,

¹ Georgetown University Center on Education and the Workforce

² *Washington Profile of Adult Learners 2008*, The Council for Adult and Experiential Learning

navigation assistance, advising, and creation of a cohort support system, the strategy will serve to advance students toward the “tipping point” (45 college credits plus a credential, which research shows is the threshold level of attainment at which students make significant wage gains) while helping them learn to self-navigate an ongoing college career.

WORKFORCE DEVELOPMENT REGIONAL ALIGNMENT

The Council SLI also recognized the need to improve educational and training pathways to careers across the many organizations involved in this work. As the needs of our economy and low-income working adults require deeper and greater skill development, the momentum has shifted to increase long-term coordination, collaboration and co-investment across the workforce development investors, intermediaries and program providers. The Council has requested a report of OED's efforts to improve regional alignment by April 2, 2011.

We have begun convening the major intermediaries and program providers of workforce education, including the Seattle Jobs Initiative, to begin discussions on how to achieve targeted career outcomes in a coordinated effort. The group will focus on the completion of one and two year degrees that have genuine labor market value; these outcomes reflect the education milestones of both the City of Seattle Education Roadmap, and that of the Community Center for Education Results. When this process is completed, this workforce team will have identified immediate opportunities to increase participation, persistence and completion in postsecondary education; and improve the labor market relevance, and delivery of education, training and related services. We will also have identified an investment strategy for \$624,000 of City general funds allocated in the 2011 Adopted Budget for improving college and career attainment. A proportion of SJI's 2011 contract will support this process by providing consultation on best practices, tools and labor market analysis of strategies to increase college access, persistence and completion. We are looking forward to providing Council the results of these discussions in early April.

Please feel free to contact Nancy Yamamoto at 684-8189 with any questions.