

South Central Workforce Development Council (WDC) Cluster Academy
Clarion Hotel, Yakima, WA
June 11, 2008

The South Central WDC covers Skamania, Kittitas, Klickitat, and Yakima counties.

Session I - A hosted breakfast meeting with selected Business Representatives from the following target industries:

- ✚ Logistics & Distribution
- ✚ Ag, Health
- ✚ Industrial Supplies
- ✚ Aerospace
- ✚ Business & Professional Services

South Central WDC presented a different approach for their academy than the other hosts. They separated their event into two sessions. The first session was for their local business community with a focus on logistics & distribution, agriculture, health, industrial supplies, aerospace, and business & professional services. The second session was designed for their regional workforce professionals including education, workforce, work source, and related community based organizations. This schedule accommodated the two separate audiences giving them the opportunity to present their comments and concerns.

Patrick Baldoz, Director of the WDC welcomed everyone and introduced Eleni Papadakis, Executive Director of the Workforce Board. Eleni introduced the staff from the Workforce Board, CTED, and the facilitators Jack Mills of National Network for Sector Partners and Lindsey Woolsey of a Corporation for a Skilled Workforce. She talked about the history of the cluster academy initiative and its connection to the National Governors Association project.

❖ The Framework

- Skills for the Next Washington
Bryan Wilson, Deputy Director of the Workforce Board made his presentation (see PP).
There were no comments from the audience.
- The Community Trade and Economic Development Strategic Plan
Dick Larman, Managing Director of Regional Services for CTED made his presentation (see handout).
There were no comments from the audience.
- Blueprint Yakima Valley, New Vision
David McFadden, President of New Vision, the Yakima County Development Association presented over viewing the regional economy and the recent Angelou Economics study of Yakima (see PP).
There were no comments from the audience.

❖ **Business Representatives' facilitated discussion on workforce priorities and next actions** facilitated by Jack Mills and Lindsey Woolsey.

Jack Mills had everyone introduce themselves and name the organization they represent. Jack then asked the audience the following questions:

- What are your issues in regards to business?
- What are the issues around hiring especially around skills, turnover, and issues in skill development needs?
- How are the people in state/government doing for you?
- What needs to be improved?

Comments:

- Need multi-talented people with a range of skills and adaptability.
- Maybe start at K-12 system and not fully promote a 4 year degree, there is learning in the valley to acquire good skills.
- Skilled demand has outsourced.
- Holding back on capital expenditures because no promise of skill sets.
- Can we bring those skill sets back to meet employer needs?

Lindsey Woolsey described the cluster approach and employees needing skill sets. There is a need to market the region to the workers.

Comments:

- There needs to be an emphasis on work ethics in the workplace, some businesses get individuals as their first workplace; how do we prepare our kids in high school to be at work on time?
- As a business person, what can be done to help improve education? Perry Tech has a high number of students that stay in the region; they provide teachers to be a feeder at the high schools. Some have students dress appropriately to prepare students for that environment. A way Perry Tech teaches work ethics is for the students to clock in and clock out, 3 time failure and they are out.
- Hard to market some careers like millwrights.
- Don't discount the trade jobs in high school.
- Recruiting engineers, difficult to get to South Central region, there isn't much to keep them here. What does South Central region have to offer spouses and children? How do we connect them in the community?
- The hospitals are feeling the impact, shortages in the clinics. Grow region so people will come. Possibly put together a taskforce to address the issues. Longevity of growth.
 - There is a quality of life in South Central region that isn't west of the mountains. There is an organization called CanDo in PA was designed to help people new to area get acquainted with the community. It was designed to help the community survive, without it, it would have been difficult.
 - Retention of employers is difficult with the rising cost of fuel; need to devise a carpool system to help employees and employers.

- There is an incentive to bring retail into town but not essential business, product mix and brand.
- There is a disconnect between workforce and education and no context to help students, CTE programs are dying.

Is there work that needs to be done at the state level?

Comments:

- More friendly for businesses to do business.
- The taxing structure of the state makes it difficult for businesses to be competitive. There are other components that bring costs to the businesses. Maybe bring representatives from the agencies to talk with employers. The state is made up of small business; the destination tax has hurt them.
- High schools are losing writing skills due to the spell check. It's difficult to assess possible new employees. Some don't have a sense of professionalism and that needs to be learned early on.

Final thoughts:

Comments:

- There are lots of opportunities for kids to get out and see what you do. It is difficult to get kids to visit the employers due to the cost of transportation.

Eleni thanked the audience for coming. She responded to a high school diploma situation that is going on around the state. The State Board for Community & Technical Colleges has put forth a proposal to mandate 3 credits of CTC for high schools. We need to hear from people to promote this. Eleni offered the State Board for Community & Technical Colleges website for information.

Comments:

- This is due to the shrinking of the CTE. The issue really needs to be defined first. Eastern WA isn't represented on the State Board of Education. The students and economics are different. We all need to be aggressive in this ongoing policy discussion, and industry has to help us.

Patrick thanked everyone for coming. He stated: "To move forward we need business to participate. He suggested the audience leave their business card, and the WDC will follow-up. David McFadden thanked everyone.

Session II

➤ Planning Session Opening

Patrick Baldoz, Director of the South Central WDC made the formal introductions and welcomed everyone. He advised audience about the business session and summed up the earlier event. He asked that we work on the question: “What can we do to help the workforce system serve the community better.”

Eleni Papadakis, Executive Director, Workforce Board also welcomed everyone, especially our hosts: Patrick Baldoz and David McFadden. She also introduced the state team and the facilitators. She pointed out that the state is crafting a framework from the information from the academies. We really need specifics from the local level.

Jack Mills, National Network of Sector Partnerships set the goals for the day and introduced Lindsey. He noted that WA is one of 11 states working toward state strategies. Jack also had everyone make introductions.

➤ Brief National Perspective, Targeted Industry Approaches for Economic Development and Workforce Development

Jack Mills, National Network of Sector Partnerships

Lindsey Woolsey, Corporation for a Skilled Workforce

Jack Mills: presentation (see PP)

Jack asked how many of the audience members have talked cluster for around 20 years? About half the audience responded. Lindsey Woolsey asked what is new about this discussion. The difference is that it is seen in all industries. Cluster is a strategy that needs to go into supporting the cluster in the industry. Eleni Papadakis, commented that WA was at the forefront in funding cluster/sector strategy at the regional level. Now other states have moved ahead because of their more direct investment. WA needs to get back to identifying and supporting clusters and advance the effort into the next stage.

Jack Mills asked if things are working well here. Are there things that could work better?

Comments:

- South Central region faces an issue of sustainability. Five years ago funding was easier, now it is more difficult. Complying with state regulations in regards to funding has been difficult. We have found that if we are more flexible with funding, it works.
- Cannot convene business around things unless there is some involvement with the public.
- South Central region doesn't have a good understanding of a cluster. This concept has had a start and stop discussion. CTC picked it up for awhile then stopped, now it is going again. So, to be effective, we need state level participation and commitment.
- South Central region is still looking at the state to see what is coming out of these discussions and how resources are allocated. The food processing industry was referenced. We need sustainability and make it real.

- The people we serve are the reality, ex. TANF transition, people with barriers, etc. Success is defined by the people's success.
- Cluster training is effective and to do the cluster work, additional resources are needed (Healthcare). If we look at just clusters, then all the resources go to that and could miss other opportunities, not sure it could sustain everyone.

Other comments:

- There is a problem with what the radar points too. It's hard to address issues with the dwindling funds. The recessions are really affecting this.

Jack continued his presentation, and talked about the Lancaster, PA's regional strategy (see PP).

Comments:

- We need career pathways; need better roadmaps on how to get there.
- We just launched a good workforce policy in our state. What are we doing about CTC, other agencies have brought it up but no all around accomplishments have been noted.
- We need a commitment to a sector approach.
- What about ESL and people with ABE in the area, where is the dialogue in the state on this? South Central region has a large demographic in these two areas.

Response:

It was suggested that when moving forward on the industry cluster approach, these questions need to be addressed and answered. The skills of someone and the capacity of the workforce community need to merge in order to offer equality in hiring requirements for an industry sector. Some areas like math requirements will work better, other areas not as much. What is the capacity to build upon this; does this help you choose how to do this?

Is this where you want to go (ref. Lancaster, PA model)?

Comments:

- The South Central region is very creative in how they would try to mirror the Lancaster idea. It could be difficult to accomplish.
- There isn't a lot of flexibility on the performance measures. Can the measurements be changed to support the region better?
- How does industry buy in? In the Lancaster Model, what was the industry buy in? *Answer:* paid leave time and training on site. The Lancaster model is still happening. The state approved funding this year to support training issues.

Final thoughts:

No comments.

Eleni talked about the Pennsylvania efforts. This gives us some insight on where we want to go. On the funding level, the governor came up with some money to support this and they have seen results. We need to talk about how we deal with the shortage of funds in this state. One of the assumptions when the PA governor funded this was to spur partnership with employers. If they are satisfied, then overtime there would be an increase in employer match. It was assumed that after 2-3 years, employer

partnerships would take over funding, however this did not happen. But it did bring employers together to talk about issues and vacancies. These conversations expanded so the funding offered extended other programs. The focus was about jobs and building people up. Incumbent workers wanted for them only, but employers felt invested because they felt they were helping design the program. They found out that they were asking for the wrong skill sets. It didn't account for the transformation of the industry. Yakima Valley has this same potential for success over time.

➤ **Washington State's Framework for a Cluster Approach**

10:45 am – 11:15 am

Skills for Next Washington - Bryan Wilson, Deputy Director, WTEB

Bryan: (see PP)

Advancing the Next Washington - Dick Larman, CTED

Dick: (see handout)

Comments from both presentations:

- Think we have done well with a cluster approach and our incumbent workers.
- Think about our waivers for criteria issues. Waivers would allow us to utilize the dollars better (contractor training – community college), then the existing requirements allow.
- Higher education - it seems that there is a growing culture of accountability that requires a lot of staff time. We would like to resist the added accountability issue to free up more staff time. Accountability drives the behavior we are seeking, but don't add the additional layers that come with it.
- Liked the comment from Dick Larman about unifying and aligning needs to go farther down from policy to the programs. The WTB could be helpful in forming partnerships in this area.
- There could be a better way to do this. The WTB could be doing this or communicating that these people are on board.
- Flexibility on pre-apprenticeship.
- Definition of workforce training and education seems to stop at the CTC and does not go beyond. It's rarely identified in WTB documents, to move and advance.
- Let's put WDC into the statute. We are doing what we are supposed to do. We were created to concentrate on pre-bachelor.
- We are partnering with HECB in workforce and economic development, coordination of 4 year colleges in regards to the cluster approach.

Presentation on Blueprint Yakima

New Vision- David McFadden: (see PP)

Workforce and economic development is a team sport that needs collaboration to succeed.

Comments:

- Employers are saying why they can't get people to pass a hiring test. Answer: It will take time to accomplish everything on the education side to meet employers' needs. We need partners to come together and accomplish this task.

➤ **Small Group Discussion of State Framework Presentation**

Jack Mills, National Network of Sector Partnerships

Lindsey Woolsey, Corporation for a Skilled Workforce

What do you need to help you meet industry clusters?

Comments:

- Surveys to define the system identify and keep it simple in regards to business.
- Meeting with employers to validate the system. Once you know what you need to know, you need a plan to accomplish the goal.

What is the process?

Comments:

- Convene the cluster target and have input into the design.
- Need clear ideas and objective of what you want and need to do.
- What do you need to do to do a good job in this? We need staffing to support the involvement of business, need to keep business engaged other than having meetings.
- When we have their needs, we have to take that and let them know what we have done with it.
- The product is an educated worker who can do the skill.
- How can we adjust the product to meet the employers' needs?

How do we build the design phase of a cluster?

Comments:

- We are not sure we have the audience to address all the issues right now.
- The state needs to address how to do that locally.
- Would like a know how to address skill issues and build capacity. The most important thing we can do is build on our capacity.
- We see cluster as an approach to deliver the issues and it is an approach. It is a good approach to get business engaged in how to approach issues in the local area.
- How about an an advisory group to improve process.
- We need to find out what the resources are first in the design phase.

Operations:

Comments:

- We no longer have a full time staff to support this. We would have to train the folks in terms of capacity building. Coordination with unions.
- The cost for an organization to support a project: \$100k/person (staffing, benefits, equipment. Space, etc) In many cases private sources can support this and offer less of a down stream investment to broaden the number of clients served. Cost on the per person basis for staffing still remains consistent.

What makes it sustainable?

- Employee satisfaction
- Accountability matrix

- Put it in statute
- Partner satisfaction
- Sustainability plan – offer ideas and action to increase leveraged funds to support the project over time
- Identify important and potential revenue streams and solicit support immediately

Sustainability/Expansion: Increasing leverage/dollars from industry

Staying in a large group discussion –

- We need to solve shortage of faculty for the research and design phase. Pull assets in as needed.
- Look for early wins to prove the concept. Little steps to help get to the larger step. Important to look at 2 years to secure progress.
- Don't think we would gain the confidence.
- How are we going to fund this? If we do all this, are we going to get the money? The longer term goals can be broken due to funding. Can we re-evaluate at different stages to re-determine long term goals.

Is this a good enough start to continue process after today?

About 1/2 concurred.

Jack laid out steps for the process. What did we just describe?

Future economic development of the county. How are we going to meet the economic development demand. Making WA and region globally competitive.

Lindsey laid out the Blueprint survey on how to address the 6 different industry clusters.

How you outline each industry cluster may be the first step for the region economic development plan. We encourage a team approach to organize before starting. This cluster process is a step to getting organized. Keep in mind that this comes from the stand point of economic development and what fits in certain areas. The workforce piece is tweaked a little as important to address.

Patrick Baldoz and Eleni Papadakis thanked everyone for coming.