

DATE: February 10, 2016
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 16-06
Update on the Portland Development Commission's Workforce Development Investments with Worksystems, Inc.

BOARD ACTION REQUESTED

No action requested; information only.

SUMMARY

At the February 10, 2016, Portland Development Commission (PDC) Board of Commissioners (Board) meeting, PDC staff will provide an update on PDC's workforce development activities and investments that are a part of the Economic Opportunity Initiative (EOI). In addition, PDC staff will introduce to the PDC Board key workforce partners and participants in both the youth and adult workforce programs.

BACKGROUND AND CONTEXT

The EOI is a people-based program with the goal of increasing the self-sufficiency of Portland's most vulnerable residents. The program, which focuses on workforce development and small business development, was first implemented in fiscal year (FY) 2004-05 by the former Bureau of Housing and Community Development (now Portland Housing Bureau) and was transferred to PDC in FY 2009-10. EOI promotes achievement of PDC's 2015-2020 Strategic Plan goals for wealth creation, access to high quality jobs, and 21st century networks/partnerships. This report will focus on the workforce development components of the EOI program.

PDC implements the youth and adult workforce development programs primarily through grants to Worksystems, Inc. (WSI). WSI operates in Multnomah and Washington counties and coordinates workforce development initiatives in the region, with majority of its funding from the U.S. Department of Labor. WSI assists over 100,000 workers per year through five WorkSource Portland Metro (WSPM) centers located throughout the region. At the WSPM unemployed and underemployed residents can access various workforce development services and training programs. The WSPM centers are co-located with the State of Oregon Employment Department so that individuals using the WSPM centers' resources also have access to job postings at businesses and entities throughout the state.

Most of the WSPM participants receive 'light-touch' assistance through classes such as resume writing and interviewing, and are able to access job listings with employers throughout Oregon. For individuals needing more intensive assistance in developing the skills and work experience necessary to gain employment, WSI administers the Career Connect Network (CCN), a youth-focused program for 16 to 24 year olds, and the Economic Opportunity Program (EOP), an adult-focused program available for those 18 and older.

In FY 2014-15, PDC co-invested nearly \$2,700,000 in the CCN and EOP programs. This investment leveraged more than \$3,000,000 by WSI in core workforce development services, work experience wages, and on-the-job training wages, workshops, classes, and occupational and vocational training.

Youth Investments: Career Connect Network

PDC’s co-investment of resources with WSI began in 2012. Prior to this time, PDC and WSI operated two very similar programs for youth. PDC and WSI collaboratively developed a refined, single youth program, the CCN, which is administered by WSI. Services to youth are delivered by five qualified community-based organizations (see Attachment A for a list of providers) selected through a request for proposals process.

CCN prepares young people ages 16 to 24 for post-secondary education and career-ladder employment. The focus of the CCN is on college preparation, career exploration, work-readiness training, and work experience to help young people understand the relevance of classroom learning. The youth supported by CCN funding are motivated and want to reconnect with school or work, but face many barriers such as growing up in poverty or lacking the necessary education. Investments help disconnected youth get on a path to a successful career with the life skills necessary to stay on course.

CCN Demographics for FY 2014-15:

Number of Portland Youth Served	660
Youth of Color	76%
Less than 30% Median Family Income	87%
Female	52%
Male	48%
Attending High School	56%
Not Attending School	44%

How CCN Works:

Each provider employs a Career Coach who works with enrolled youth and serves as their vocational and career coach. The Case Manager guides the youth as they re-engage in education, explore and prepare for college or careers, and participate in work readiness training. A key part of the youth’s experience in the CCN program is the opportunity to participate in work-based learning and paid internships. In FY 2014-15, 137 youth participated in a paid work experience/internship with a business, government, or non-profit organization. Seventy-seven percent of participants completed their work experience and 70 percent were assessed “work ready” by their supervisor. The average length of the placement is 16 weeks. During their internship, youth are able to get a feel for the work environment, practice good work habits, and learn more about a career interest.

When the youth are ready, the Career Coach assists them with their job search and, when desired, in finding appropriate post-secondary education. The CCN model is designed for youth to receive approximately two years of this intensive workforce training and coaching – including a paid work experience. The third and final year of service is typically lighter touch with a focus on retaining and advancing in their job or post-secondary education.

CCN Outcomes:

There were 239 youth enrolled in the CCN in the first cohort of participants. This group received three years of service and completed their program in FY 2014-15. The table below shows outcomes for the cohort.

Successfully completed two years of intensive workforce development	179 (75%)
Placed in employment or post-secondary education	165 (65%)
• Participants went on to employment	127 (76%)
• Participants went on to post-secondary education	58 (24%)
Attained a High School Equivalency (GED, High School Diploma)	98 (41%)
Entered the program with low reading and math skills and left with an entire grade level increase	68 (29%)
Attained an occupational or professional certificate	20 (8%)
Average wage at program completion	\$10.54/hour

CCN Employment Placement by Industry:

Hospitality, Tourism, and Retail Sales	50%
Office Professional	12%
Warehouse	9%
Healthcare	8%
Manufacturing	6%
Construction	3%
Automotive	2%
Software	1%
All Other	9%

CCN Leverage:

The PDC investment leverages close to \$2,400,000 in federal in services and \$300,000 from the TK Foundation funding through CCN. The federal funding is used to extend the reach of CCN services throughout the two-county region and funds critical work experience wages and job support. Funding from the TK Foundation is being used to build out target sector training tailored to the learning styles of young people. These new trainings are in the region’s targeted industries: Healthcare, Software/Information Technology, Advanced Manufacturing, and Infrastructure (Construction). The addition of the targeted sector trainings in the spring of 2016 will enhance the opportunities for youth served in CCN to start their path to high-demand, high-wage jobs in a chosen career field. In the Sector Bridge trainings, youth will learn technical skills for the specific industry and then have the opportunity for applying their learning through paid internships.

It is projected that approximately 79 percent of all jobs in our region will require education beyond high school by 2018. The majority of the projected job growth will be in middle skill jobs or jobs that require education and training beyond high school but less than a bachelor’s degree. This is juxtaposed against a backdrop of almost a third of students failing to graduate with a regular diploma after four or even five years in high school; and post-secondary persistence rates are low for first generation college students. Successfully meeting the skill requirements of future job growth is also complicated by the youth’s lack of information about these jobs and knowledge about how to prepare for them.

Adult Investments: Economic Opportunities Program

PDC’s co-investment of resources with WSI for adult services began in 2012. PDC’s investment allowed WSI to bring much needed resources to adults (18 and over) who face significant barriers to employment. As with the youth system, PDC and WSI collaborated to define a program for this population that retained the intensive vocational case management supports similar to those described for the youth system, and to combine this with priority access to services offered through the WSPM system. The adult workforce program is known as the Economic Opportunity Program (EOP). Services

are delivered by five qualified community-based organizations (see Attachment B for a list of providers) selected through a request for proposals process.

The EOP serves low-income adults age 18 and older who face multiple barriers to employment which may include: poverty, language and cultural barriers, criminal backgrounds, drug and alcohol additions, and/or homelessness. The program has population focus on ex-offenders, immigrants, housing vulnerable/homeless, and people of color. Participants must have a near-term goal to become employed and want to engage in coaching, skill development, and training, as needed, to achieve their goal of career pathway employment.

EOP Demographics for FY 2014-15:

Number of Portland Adults Served	725
People of Color	58%
Less than 30% Median Family Income	88%
Female	47%
Male	53%

How EOP Works:

Similar to the youth system, each individual enrolled in the EOP is matched up with a Career Coach; the Career Coach serves as the participant’s career coach and vocational navigator. Participants work with their Career Coach to identify career interests and create an individual career plan. Career Coaches assist the participant in accessing critical workforce development services through the WSPM system including: resume writing, mock interviews and interview preparation, work readiness training, English as a Second Language classes, and other fundamental services. Career Coaches recommend participants for more intensive supports available in limited supply through the WSPM including: paid work experience, occupational and vocational training, and on-the-job-training. Finally, Career Coaches assist participants in their job search process and provide follow-up to ensure that jobs are retained. While EOP participants are allowed to spend up to three years in the program, experience is showing that adults become more rapidly attached to the labor force than young people. They also tend to exit service once employed. Successful candidates spend an average of eight months enrolled in the EOP, compared to 25 months in the CCN.

EOP Outcomes:

There were 724 adults enrolled in the EOP in FY 2014-15. The table below shows outcomes for the cohort.

Completed WSPM career basics workshop: resume writing, ESL, interviewing	906
Completed occupational or vocational skill training, internship/work experience	283
Number of individuals exiting service	406 (56%)
Exited with employment	288 (71%)
Average Wage at exit	\$13.03/hour

EOP Employment Placement by Industry:

Hospitality, Tourism and Retail Sales	24%
Manufacturing	20%
Office Professional	15%
Healthcare	16%
Construction	9%

Warehouse	5%
Transportation	3%
All Other	8%

EOP Leverage Opportunities:

In addition to approximately \$1,000,000 million per year in services leveraged through the WSPM system, WSI has been able to use PDC's core investment in EOP to generate additional funds to expand the program and serve more city residents. This includes approximately \$500,000 annually from U.S. Department of Health and Human Services for EOP Career Coaches focused on serving people pursuing health occupations, \$200,000 annually from the Multnomah County Department of Community Justice for Career Coaches focused on serving parolees, and \$125,000 annually in funds for rent assistance exclusively designated for EOP Career Coaches to use for their customers who are homeless or at risk of homelessness. WSI is also anticipating the award of a U.S. Department of Agriculture matching grant in late February that will provide \$150,000 annually for additional EOP Career Coaches focused on serving food stamp recipients – an amount that could significantly increase over time. These leveraged funds translate to an added capacity to serve over 300 additional Portlanders through EOP on an ongoing basis. Investments made by PDC into the EOP program make this leverage possible.

BUDGET AND FINANCIAL INFORMATION

The following tables display the FY 2014-15 budget for the EOI Workforce Development investments.

EOI Workforce Budget:

Revenue Sources				
CDBG	General Fund	Foundations/Other	Multnomah County	Total
\$1,782,926	\$1,226,778	\$117,000	\$57,844	\$3,185,548

Expenses	Funding – All Sources	Percent
WSI Youth Provider Contracts – Attachment A	\$1,211,629	38%
WSI Adult Provider Contracts – Attachment B	\$1,073,376	34%
PDC Provider Contracts – Attachment C	\$262,000	8%
WSI Personnel	\$214,700	7%
PDC Personnel	\$73,257	2%
WSI M & S	\$19,600	1%
WSI Admin	\$220,943	7%
PDC Admin	\$109,043	3%
Total	\$3,184,548	100.00%

ATTACHMENTS

- A. Youth Workforce Development Providers
- B. Adult Workforce Development Providers
- C. PDC Workforce Contracts

YOUTH WORKFORCE DEVELOPMENT

CCN Provider	Targeted Population	Description
Portland OIC/Rosemary Anderson HS	At-risk low-income youth in N/NE Portland	Program services include: individualized career mentoring and support from a Career Coach, college and career preparation services, as well as a variety of activities to help youth explore careers, develop skills, search for employment, and prepare for the future.
Immigrant and Refugee Community Organization (IRCO)	Immigrant and refugee youth	Supports to help youth complete their GED or HS diploma and make a strong start in their post-secondary career or education. Provide each youth with individual career coaching and career-related learning opportunities as well as classes, workshops, and support navigating the transition from school to college or work.
New Avenues for Youth	Homeless and at-risk youth	A career-focused training program that prepares youth for employment through essential job readiness classes, advanced occupational skills training, individual mentorship, resource connections, and workplace internships.
Portland Youth Builders	Low-income youth, age 17-24, who are not attending or have not completed high school	Provides education, vocational training, and leadership development for low-income youth. Offers multi-year support to complete post-secondary education or training and/or living-wage employment.
Native American Youth and Family Center	Native American, American Indian and Alaskan Native youth	Culturally specific program that helps Native American youth gain the skills, training, and knowledge to meet their college and career goals. Services help youth develop/complete: career exploration, job search skills, how to keep job, access and succeed in post-secondary education

ADULT WORKFORCE DEVELOPMENT

EOP Providers	Targeted Population	Description
Central City Concern	Homeless/formerly homeless	Integrates individualized services, housing, health care, and peer support and life skills with an approach that emphasizes immediate engagement in job search.
Human Solutions/Self Enhancement Inc (SEI)	Communities of color	Consortium led by Human Solutions that provides individualized services to build pathways out of poverty for residents in outer East Portland, inner Northeast and North Portland.
Immigrant and Refugee Community Organization (IRCO)	Immigrants/refugees	Provides culturally responsive, relationship-based coaching to immigrants and refugees in NE and SE Portland. Seeks to develop English language skills and ability to navigate US job market.
SE Works - Prisoner Reentry Program (PREP)	Ex-offenders	Focused on serving individuals who experience barriers to employment based on a criminal history. Integrates cognitive behavioral therapy approaches and peer support to create positive employment outcomes and reduce recidivism.
SE Works Professional Immigrant Credentialing Program (PICP)	Immigrants with professional experience in home countries	Offers professional immigrants work-oriented ESL, job training, and certifications required for equivalent US professions.
Industry-Specific Vocational Training Providers		
Oregon Tradeswomen/ Constructing Hope	Individuals interested in the trades	Consortium led by Oregon Tradeswomen to provide training, industry exploration, coaching and case management to prepare participants for the construction industry.
Immigrant and Refugee Community Organization (IRCO)	Individuals interested in entry into health care field	Customized training and coaching to prepare immigrants, refugees and other English Language Learners for entry into the health care field. Partners with Caregiver Training Institute, a training provider with experience training individuals with limited English skills.

PDC PROVIDER CONTRACTS

As noted in the budget PDC had four direct contracts with workforce providers. These contracts include:

Provider	Amount	Description
Human Solutions, Inc.	\$133,000	This project is primarily funded by a 3-year grant from the NW Area Foundation to extend the work for Human Solutions, Inc. (HSI) to allow a focused effort in NPI areas. HSI has a special focus on the Cully neighborhood which is served by the Our 42 nd NPI and Cully Blvd. Alliance. Outcome numbers included in the EOP data.
SE Works (InFocus @Rosewood)	\$60,000	This project has been funded with NW Area Foundation grant funds, General Fund and CDBG. SE Works established an office inside the Rosewood NPI to serve area residents. This grant allowed SE Works to hire a Career Coach/System Navigator to work with young adults desiring services in the center. Due to poverty-related needs of this population SE Works has leveraged services from 5 other social service agencies to provide wrap-around services to this high-need population. Such services are often a critical first step on the path to employment and education.
SE Works (Youth Transitions)	\$40,000	The Youth Transition Project is a youth workforce development program that is focused on serving at-risk low-income 16-21 year olds. The Program seeks to break the cycle of poverty through attainment of a General Education Diploma (GED) and successful transition to college. The City General Fund support funds one full-time social worker who works with all enrolled students. The main goal of this FTE is to support students' success by providing some stabilization in their lives during their GED journey and transition to college. Services include connecting students to substance abuse services, pregnant and teen parenting supports, mental health and legal aid supports and providing college and career readiness training, facilitating college tours, assisting with financial aid applications, and providing ongoing support once students begin the transition to College.
Portland Community College (Cully Workforce Navigator)	\$29,000	The Cully Workforce Navigator is a pilot project funded with NW Area Foundation and other funds. The aim of the pilot is to assist unemployed and under employed individuals in connecting to employment and workforce development services. The Workforce Navigator pilot was initiated in the Spring of 2015 and will extend to June 2016. The Workforce Navigator is working closely with the Cully NPIs, the SUN Schools, and the emergency food bank to identify residents needing assistance. She also works with local employers to connect residents to employment in the NPI businesses and elsewhere.