

MEETING MINUTES

Office of Economic Development
Economic Development Advisory Board
57 E. 1st Street
Lower Level Council Chambers
Mesa, AZ 85201

Date: January 8, 2019 Time: 7:30 A.M.

MEMBERS PRESENT

Natascha Ovando-Karadsheh, Chair
Rich Adams
Brian Campbell
James Christensen
Deb Duvall
Matt Likens (Arrived Late)
Dominic Perry

EX-OFFICIO

Mayor John Giles (Excused)
Chris Brady (Excused)
Sally Harrison (Excused)
Jeffrey Pitcher

STAFF PRESENT

William Jabjiniak
Jaye O'Donnell
Maribeth Smith

MEMBERS ABSENT

Jim Kasselmann, Vice Chair (Excused)
Richard Warren (Excused)

GUESTS PRESENT

Michael Voss, Mesa Community College
Leah Palmer, Mesa Community College
Yvonnda Shelton, ARIZONA@WORK Maricopa County
Kevin Dumcum, ARIZONA@WORK Maricopa County

1. Chair's Call to Order

Chair Ovando-Karadsheh called the Economic Development Advisory Board meeting to order at 7:30 a.m.

2. Items from Citizens Present – None.

3. Approval of Minutes from the December Board Meeting

Chair Ovando-Karadsheh called for a motion to approve the minutes from the December Board meeting.

Brian Campbell moved to approve the December 4, 2018 minutes as presented; seconded by Rich Adams. Upon tabulation of votes, it showed:

AYES – Ovando-Karadsheh, Adams, Campbell, Christensen, Duvall, Perry

NAYS – None

ABSENT – Likens

Chair Ovando-Karadsheh declared the motion carried by unanimous vote.

4. East Valley Workforce Steering Committee & Next Gen Workforce Development Program

Michael Voss, Mesa Community College, stated the East Valley Workforce Steering Committee was established in June of last year between the City of Mesa, the Town of Gilbert and Mesa Community College to look at how the eight East Valley cities, economic developers, and the education systems can work more closely together. The Committee is made up of economic developers, academic leaders, and industry and workforce development organizations. During the first two quarters, the Committee discussed the Next Generation Sector Partnership model, in which industry sector teams drive the agenda. Data was reviewed regarding completion rates for both the public and private education sectors, student demand, and

employment opportunities. The CIP (Classification of Instructional Programs) is a code system classifying 1800 different academic programs. This will help with workforce development projections at the Federal Bureau of Labor Statistics. The Committee also looked at national benchmarking for the top 25 performing colleges across the country from a completion standpoint. The Committee looked at how many different software systems are out there that employers are asked to tie into. The Next Gen Sector Partnership model offers a standardized tool kit that is being used effectively in many metro areas. The economic development offices and colleges are all using different data sets to make decisions. A Regional Workforce Data Ecosystem will give everyone access to the same tools and create a regional portal. This data will also include a gap analysis, industry employer concentrations, and industry certifications.

A Harvard study in 2015 showed that for every master's degree produced, there are two jobs for those with a bachelor's degree and seven jobs for those with certificates and two-year degrees. In the East Valley last year, there were 5,600 master's degrees and 12,000 bachelor's degrees, although we are underperforming on our production of certificates and associate degrees. Approximately 23,000 more certificates and associate degrees are needed annually.

For a long time, Arizona has been ripe for the private for-profits to proliferate. With the gainful employment laws enacted in 2010, many of these organizations have gone out of business. We went from 80,000 completers from that market four years ago to 40,000 two years ago. There was a total of 34,000 awards from all the public entities. There are just not as many people being trained today as there were five years ago.

An audit was done from K-12 to the community college system to the university system looking at the types of talent pipeline systems. Mesa Community College will launch their Career Coach this spring which will not require user accounts. All the university systems use a common system called Handshake. California chose to put all 113 community colleges onto one system called Career Coach. A common system will be helpful for data aggregation. Our university partners are in a good situation to consider a common system, although the K-12s and community college systems will have some work to do.

5. Small Component and Medical Device Manufacturing Certificate Program

Medical Device Manufacturing Program Research: Partnering with ASU, Mesa Community College (MCC) benefitted as a sub-recipient of a Maricopa County Industrial Development Authority grant with \$200,000 to research medical device manufacturing at the community college level to support regional workforce needs. The research looked at the programs, standards, credentials, skills lab, curriculum, and labor market data related to medical device manufacturing. Anoka-Ramsey Community and Technical Colleges in Minnesota have the most well-developed programs. Research of the programs at Salt Lake Community College, Foothill College, and Austin Community College showed that the skills are more aligned with manufacturing processes and principles. Five years ago, research was done at 13 colleges across the country regarding medical device skills standards in manufacturing, which will be incorporated into the curriculum design. The Certified Biomedical Equipment Technician credentialing process was reviewed by the local advisory. MCC has reached out to the Arizona Medical Instrumentation Association for their insight on curriculum that is being developed. MCC has toured local businesses to determine the importance of a mock clean room as well as documentation. A field trip to the Anoka-Ramsey facility is being planned through the grant funding. Occupational data for the medical tech field was reviewed for Phoenix and the East Valley. The right mix of courses for certificate and associate degree training will help with workforce development. Job postings through Burning Glass are looking for up to two years of experience. The closest fit for this program would be a biomedical technology technician, although that does not exist in medical device manufacturing. Close to 80% of the national workforce is at the associate degree and lower, and national completion trends for that CIP code in the public two-year sector are going up.

BOARD QUESTIONS/COMMENTS:

Rich Adams asked if the distribution of jobs mirrored the distribution of healthcare facilities. Mr. Voss stated it may be population-based. He would need to consult the MAG database for a better answer. The intent is to

have programs in close proximity to where that industry occurs. The aggregate of the East Valley cities is significant.

Jeff Pitcher asked about the difference between a medical and clinical lab technician and a technologist and where to find information on obtaining such a certificate.

Mr. Voss explained that a technician would be at a lower level than a technologist. Technician training is often certificate-based, whereas the training for a technologist would be an associate degree or higher. He referred to the different talent pipeline systems mentioned in the prior presentation. There are not a lot of these programs in this area. The goal of the Arizona Career Readiness System is to make it easier, although it is not as robust as it needs to be.

Deb Duvall asked if there would be some major initiative by the Maricopa County Community College District to not only look at curriculum but to find teachers or professors who can actually implement that curriculum. What is the prognosis and the timeline for all of that to happen?

The Maricopa Community College system is currently going through a transformation effort. One focus is on Guided Pathways, which is a national model to streamline the curriculum. We need to make sure the industry partners are more involved to ensure that the curriculum is much more aligned to the industries being served now and to develop the workforce of today and tomorrow. The Maricopa Community College system is working on upgrading the information systems and information technology. Mr. Voss came here from another major community college system, and noted it was like stepping back a decade on the technology front. The Maricopa Community College system is one of the biggest in the country, although it is performing at a tenth of what it could. There is great potential and he felt it can be one of the greatest community college success stories in the country once it is performing at the level it should be.

Matt Likens felt there were two distinct areas. One being medical device manufacturing with clean rooms, aseptic technique, validation, and verification; and the other being the medical laboratory processing. Most true medical device manufacturing companies are members of the Medical Device Manufacturing Association (MDMA) out of Washington. The MDMA can provide a lot of information and he offered to connect Mr. Voss with the MDMA to help guide this effort. Mr. Likens is a member of the GPEC Healthcare Innovation Council. There was a presentation to that Council recently from the Maricopa Community Colleges about their initiative to bring more academic efforts as well as faculty with the expertise to prepare students in lab technician, nursing, and related programs. That presentation also included the number of jobs being created and the fact that there are not enough folks with the qualifications to serve the growing need.

Brian Campbell stated medical device manufacturing is critical from an economic development perspective because of the quality of the job. Mr. Likens is in this field as well as another Board member who is not in attendance today. He asked how soon a program in this field could be up and running so that this Board and the Economic Development department can partner to reach out to employers on that programming to help bring them to the Valley.

Mr. Voss stated part of the grant timeline is to start enrolling students for this coming fall. The biggest need right now is to find a good industry partner champion and there is grant money for such a contract. He is looking for someone with expertise in medical device manufacturing to serve as a consultant and attend tours of colleges across the country. The focus would probably not be on the bio lab technician side, as there are programs for that at MCC. Many colleges are retooling with a focus on the manufacturing side. MCC will add to its existing robust manufacturing curriculum with a focus on the key competencies needed with regard to regulatory compliance. The intent is to have a proposal developed by the end of spring in order to promote for fall enrollment.

Mr. Campbell asked what else can be done to help hit that window, as it is critical to get this up running as quickly as possible. Mr. Voss advised that Jaye O'Donnell has been fantastic in these efforts. Contacts can be shared for major medical device manufacturers to gain their input. If there is someone in particular who would be a good champion for MCC to work with, please connect them with Mr. Voss.

Chair Ovando-Karadsheh asked if Dexcom was at the table, as Mr. Kasselmann is the Board Vice Chair. Mr. Voss stated Dexcom was invited to the first advisory meeting.

Matt Likens stated GT Medical Technologies is not actually a manufacturer, and suggested looking at Medtronic, Stryker, and Gore Medical of Flagstaff, which also has a presence in the Valley.

Chair Ovando-Karadsheh noted the importance of marketing these programs directly to high school students or those that are underemployed. We do not have the counseling that can advise people of these opportunities. There is a huge need for certificate and skill-based jobs, and we need to find a way to communicate that need. She hoped within this structure there will be a budget for marketing.

Rich Adams stated the Mesa Public Schools CTE and EVIT would be good feeder pipelines. Mr. Voss stated they work closely with EVIT and with Mesa Public Schools.

Arizona Advanced Technologies Corridor Update

Leah Palmer, Executive Director of the Arizona Advanced Manufacturing Institute at Mesa Community College, provided an update on the Arizona Advanced Technologies Corridor. In January 2017, Maricopa Community College District Chancellor Dr. Maria Harper-Marinick signed the Arizona Advanced Technologies Corridor project charter, a partnership between the Maricopa County College District, Pima Community College District and Central Arizona College to create standardized technology curriculum. The economic development community does not know where to tap into the workforce supply chain for prospects. The Corridor partnership held monthly meetings, weekly conference calls, and explored industry partners in the technology corridor to identify critical skills. The National Institute of Metalworking Skills (NIMS) sets industry skill standards and certifications. Most of the companies coming into the area are looking for NIMS certification. The partner colleges became approved as certifying bodies for NIMS credentials. Estrella Mountain Community College has joined in these efforts to be able to deliver the program Valleywide. A common course numbering system and technology training curriculum was developed and will be launched in the fall of 2019. This will help the economic development community with attraction efforts. Employers can also tap into where this program is being delivered.

Northern Arizona University has joined the partners to develop a 4-year Industrial Leadership degree transfer program, with 90 credits to be delivered at Pima Community College, Mesa Community College, and Central Arizona College. This will help attract the parents of the K-12 population who will be looking for a four-year degree. Certifications will standardize the skill sets, and apprenticeships and internships will let employers test drive the talent. A grant from the Governor's office provided funds for digital technologies with online delivery. Pima Community College reports that 80% of their enrollments are incumbent workers that need to be upskilled. There is current engagement with Express Scripts and West Pharmaceutical. Companies are taking engineers offline to do the work of technicians.

The Governor's Office announced that it will put \$300,000 into branding and creating a portal which will allow the economic development community, employers, and potential students to tap into this program statewide. A campaign is being launched to go from being a corridor to a statewide network. Boeing has asked for 450 electrical wiring and J Standard certified students, which is currently near to impossible. The Partnership will meet to do training onsite at Mesa Community College and perhaps out in the community with some of Boeing's contract houses to get those numbers up. In the next four years, if the Partnership can deliver 80 to 100 certified students per year, it will be close to meeting that need. Paid internships through Boeing provides opportunities for individuals to go out to the Dexcoms of the world. Boeing has provided close to \$50,000 this year to train and educate the pipeline.

The Corridor is becoming a statewide network and Arizona Advanced Manufacturing Institute is the homegrown and hometown deliverer of manufacturing. Mesa's Economic Development team has been fantastic to work with, and they are bringing companies to Mesa Community College monthly to talk about the competencies. The Partnership is working.

BOARD QUESTIONS/COMMENTS:

Deb Duvall asked about enrollment. Ms. Palmer advised that nearly 65% of the individuals coming into the programs are already employed, and many are underemployed. We are looking at the scheduling of courses to accommodate people working on shifts. We are also purchasing and creating more learning management system types of training capacity with a flexible delivery system and open labs. For some of the certified programs, there is a required ratio of 12 to 1 with a master trainer.

Chair Ovando-Karadsheh asked about the length and cost of the Boeing NIMS Certification Bootcamp and some of the other certification programs

The Bootcamp was developed as a consolidated one-week 40-hour intervention. Half days were offered for those on shifts. Boeing is offering internally to some of their contract workers an 8-week or semester-long bootcamp for credit. Blackfox is a private provider charging \$1,800 to \$2,300 per person for certification in J Standard and electric wiring. We will offer the same certifications for less than \$500 per person. For employers, this is a no brainer. Boeing is looking at classroom space so that their trainers can come to Mesa Community College to deliver this training on site.

Rich Adams stated that a candidate could be someone at the front end of their career just out of high school moving into community college or people mid-life looking to change careers. Ms. Palmer agreed and stated it is a skill set that once certified has some transferability to aerospace as well as industrial maintenance. There is a lot of crossover for someone with this kind of skill set.

Chair Ovando-Karadsheh asked where would someone begin either coming out of high school or to start a career transition? What are the marketing efforts? Ms. Palmer advised that Cesar Becerra is their career navigator. He will be going out to Express Scripts to enroll their employees. We are trying to make it as user-friendly and as easy as possible. They will also go out to Boeing for anyone interested in having further education and certification.

6. ARIZONA@WORK Maricopa County Update

Kevin Dumcum, Business Service Representative with ARIZONA@WORK, informed the Board that ARIZONA@WORK is funded by and receives its governance from the Federal Workforce Innovation and Opportunity Act of 2014 (WIOA), which created 12 Local Workforce Development Areas (LWDA) in the state of Arizona, with a total of 450 across the country. The Maricopa County area is divided into two areas due to the population size—one for the City of Phoenix and another for the balance of Maricopa County, which Ms. Shelton and Mr. Dumcum cover. The Maricopa County Workforce Development Area covers the territory from Queen Creek to Wickenburg and from Fountain Hills to Gila Bend. While the City of Phoenix and Maricopa County Workforce Development Areas are separate agencies with separate funding and reporting, they work closely together and collaborate frequently to make sure they are providing services to the businesses and residents of those areas. Each LWDA is required to come up with a four-year strategic plan, which includes identifying in-demand industries for their region. In 2019 for Maricopa County, those industries are Construction, Finance and Insurance, Healthcare and Social Services, Information, Manufacturing, and Transportation and Warehousing. There is a recent report that states the greater Phoenix area has the second fastest growing construction workforce in the country. Transportation and warehousing are important to the region because of our proximity to California and Mexico. No one that asks for services is turned away, even if they are outside of the in-demand industries. However, the Department of Labor has cut the budget by 12% or \$1.4 million, which forces ARIZONA@WORK to be more strategic in where those dollars are spent.

Yvonnda Shelton, Business Service Representative, advised that in 2018, ARIZONA@WORK served 922 business in Maricopa County, including many in Mesa, and there will be continued efforts to serve business to make sure that all workforce development needs are met. Services offered include no-cost job postings at www.AZJobConnection.gov, job description development, flyer creation, basic recruitment consulting, candidate screening and referrals, and industry and employer job fairs. This team was part of the efforts for Niagara Bottling, setting up hiring events and interviews at the One-Stop Career Center in Gilbert. When a company closes or downsizes, Rapid Re-Hire Layoff Assistance provides those employees with workshops on

interviewing and resume skills. Employers have access to labor market information and apprenticeships. Skills and vocational training are provided for those that meet eligibility requirements for the WIOA funding. Those trainings include transferable industry-recognized credentials. Materials were provided to the Board on the One-Stop Career Center, the Job Blast newsletter, and workshop calendar. The Arizona Career Readiness Credential is an initiative by Governor Ducey in which candidates can earn a credential that can be listed on their resume to show that they have certain employability skills.

Mr. Dumcum noted that the current unemployment rate in the Phoenix area is at 3.9%, just higher than the national rate. This does not show the level of underemployment or those who have dropped out of the labor force. The Labor Force Participation Rate measures the percentage of people who are eligible to work who are working. Currently in Arizona, it is at 60%, which means that 40% of Arizonans who are eligible to work are not working, some by choice. There is a large percentage that would like to work but have somehow been shut out or discouraged. Among that 40% are veterans, particularly those transitioning out of the military with the challenge of how to translate their military experience into civil equivalencies. Opportunity Youth are those between the ages of 16 and 24 who are not currently working or attending school. The focus is on services that will allow them to complete their education and get on a successful career path. Justice involved individuals are those who are coming out of the prison system that have challenges with being on parole or the stigma of their past mistakes. Persons with disabilities may need additional support to get back into the workforce. The long-term unemployed (beyond 26 weeks) may not have the skills that employers are looking for today. Solutions provided for job seekers, and in particular those targeted demographics, include specialized case management, employer education, vocational and customized training, Pipeline AZ, and the Arizona Career Readiness Credential. Pipeline AZ, funded in large part by the Maricopa County Industrial Development Authority, provides the tools to map out a successful career path. It is housed at the Partnership for Economic Innovation, which is part of GPEC. There will be a major roll out of Pipeline AZ on January 15, 2019.

BOARD QUESTIONS/COMMENTS:

Chair Ovando-Karadsheh noticed that most of the offerings are during the work week from 9-5 and asked if there were opportunities for those who are already working to attend a workshop after business hours or on weekends? She asked if there is a mobile platform where people can get information. How do you transition people into those higher skill set jobs when they are already working and managing a family?

Mr. Dumcum stated the Opportunity Youth between the ages of 16 and 24 are not walking into the career centers regardless of the hours. For that population, there is outreach at parks and malls on weekends as well as at events. He acknowledged that the current hours of Monday to Friday, 8 to 5, do not match the needs of the adult population. There are One-Stop Career Centers in Gilbert and in the West Valley. There are relationships with up to 30 faith-based and community organizations throughout the Valley that provide workforce services that may offer different hours as well. Ms. Shelton stated one-on-one meetings can be arranged with a trainer or business service representative for those candidates that work 8-5.

Deb Duvall served as the original Chair of the Opportunity for Youth Board, which is now affiliated with ASU. She suggested that the two previous presentations be included as additional avenues to get information out to young people. At one time, there were 47 agencies working in association with the Opportunity for Youth with evening and weekend hours. She recommended providing materials on ARIZONA@WORK at those agencies. Mr. Dumcum stated the team works very closely with many of the private workforce development agencies such as Goodwill and Friendly House to share information and make referrals when appropriate.

Matt Likens asked about the implications of the 12% budget decrease. Mr. Dumcum stated that ARIZONA@WORK has lost a couple of staff members and are now down to 6, although there is a plan to manage the workload with reduced staff. The biggest challenge will be how much money is available for the trainings. To counter that, the focus will be on employment first. A person with some level of experience and skills will receive help to find a job before they would be approved for vocational training. The funding will be prioritized for those who need that level of support to become employable in the first place.

Bill Jabjiniak stated there are a lot of partners involved in workforce development and we try to engage all of them. He suggested bringing the ARIZONA@WORK services to new City of Mesa team members. He appreciated that ARIZONA@WORK has always been there to help the City with regard to employers.

7. Director's Update

William Jabjiniak wished everyone a Happy New Year. Last week, there was a groundbreaking for ER2 Electronic Recyclers, which has doubled in size with a 40K SF addition at Southern and Horne in one of the non-traditional employment areas. Last night, a new Marriott Courtyard Hotel was approved at Riverview next to the Sheraton. Mr. Yost will assemble a city-owned piece along with his two parcels. This will start promptly and is expected to be open for Spring Training 2020. Fat Cats entertainment venue will hold their groundbreaking Thursday, January 10, 2019, located next to Sprouts in northeast Mesa. Titan Solar will hold their grand opening on January 16th at 525 West Baseline. FujiFilm will break ground February 7th in southeast Mesa with a good-sized addition to their property. Last night, there was approval for Chicanos Por La Causa at Main and Country Club.

The Vice Mayor and Mr. Jabjiniak will be on a panel for the Arizona Association of Economic Development speaking on leadership change. Last fall, the West Mesa Business Alliance was formed to bring businesses together in an informal setting. The first meeting was held at EVIT. The second meeting will be held this week at Mesa Community College. GPEC announced its trip to Washington DC May 6-9, 2019. An invitation will be going out for Business to Baseball.

The new Council swearing in will be held Thursday, January 11th at 6 p.m. The Mayor's State of the City will be held on February 5, 2019.

Jaye O'Donnell and the rest of the team have had to pick up a few pieces of the puzzle with one team member out with the birth of their first child and another out for hip surgery. We are still working to replace Lori Gary after her departure for Goodyear last fall.

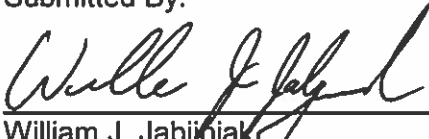
8. Other Business

The Board discussed options for off-site meetings and tours over the next several months. The next EDAB meeting will be moved to February 12 at 7:30 a.m. due to the State of the City address on February 5, 2019.

9. Adjournment

Chair Ovando-Karadsheh adjourned the meeting at 8:52 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director

(Prepared by Dana Desing, TEI: 14082507)

