

White Paper
on
Bridging the Workforce Development Gap in McKinley County

in support of
Launching the Industrial Employment Program



prepared for the
WORKFORCE ROUNDTABLE
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Greater Gallup Economic Development Corporation

Greater Gallup Economic Development Corporation (GGEDC) is a 501(c)(3) nonprofit organization established in 2012, with a mission to drive economic growth through building on local assets and strategic partnering to target attraction and recruitment of business and industrial employers that provide economic-base jobs in the Gallup-McKinley County area. As a professional economic development organization serving the City of Gallup and McKinley County, GGEDC adheres to the Code of Ethics of the International Economic Development Council, is managed and staffed by Certified Economic Developers (CEcD), and governed by an 8-member board of directors with a combined business experience exceeding 250-years.

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Executive Summary:

Time and time again, the number one barrier cited for economic development is workforce development. When it comes to attraction or retention, businesses look for communities with pools of skilled workers and as a result, communities are in a never-ending battle to develop and retain, or attract new skilled residents. McKinley County is no different as the struggles of workforce development are very much real.

There are 3,141 counties in the United States and only 83 counties report a lower Median Household Income than McKinley County. Poverty is so high in McKinley County only 20 counties in the entire U.S. have a higher rate; 4,200 families are in poverty. Now, what if GGEDC told you that in McKinley County, there are jobs available right now which begin at \$20.00 per hour with full benefits but yet go unfilled.

McKinley County residents are not equipped with the proper skillsets and accompanying certifications to compete for these lucrative employment opportunities that provide above-average wages and offer a suite of benefits critical to growing sustainable families. Residents in search of local training and curriculum find inadequate capacity as anchor institutions of higher education, historically emphasizing academic over vocational programming, have been inconsistent in engaging local industry and new training programs to meet the needs of local employers. The result is a gap in the workforce readiness system that precludes McKinley County employers from hiring McKinley County residents.

Therefore, GGEDC proposes the McKinley County Industrial Employment Program, which seeks to gather a consortium of partners to train and certify 150 residents for employment, over a three-year period, in the construction, transportation & warehousing, and manufacturing sectors of McKinley County. More importantly, the Industrial Employment Program signifies the empowerment of Gallup-McKinley County to develop local capacity and infrastructure which builds career pathways to good paying jobs for McKinley County residents.

The proposed community-based workforce development program is premised on our recognition that (a) large numbers of workforce-age McKinley County residents are unemployed, under-employed, and/or under-skilled, (b) McKinley County's economic-base employers consistently struggle to find local residents with the required skillsets and qualifications needed for employment, and (c) best methods and practices can be replicated by consortium partners for additional employment sectors in McKinley County.

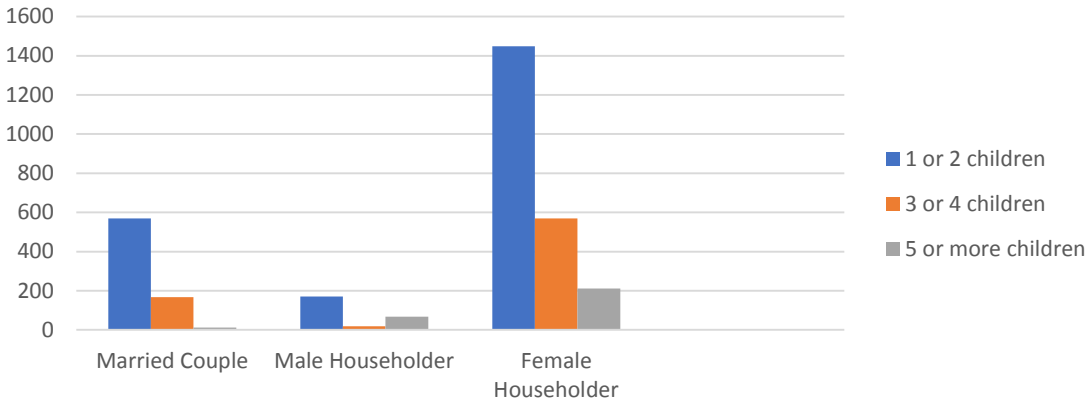
For GGEDC, a well-trained local workforce with correlating educational attainment, combined with effective infrastructure for providing training programs, is a human resource asset base that provides distinct competitive advantages which, unlike incentive programs and tax abatements, cannot easily, quickly, or inexpensively be duplicated by competing communities.

GGEDC enters into the workforce development arena cautiously because we are neither educators nor trainers. We are economic development professionals working to grow the local economy, but we find our efforts undermined by the fact that our local employers can't find a local qualified labor force. With no bridge spanning this gap, GGEDC is stepping forward to fill the breach and is looking for a few good partners.

The Social Imperative:

GGEDC finds it imperative to implement a workforce development strategy that provides access to higher-skilled, higher paying jobs for families living below the poverty level. McKinley County currently has 4,287 families living below poverty level (see Figure 1)¹.

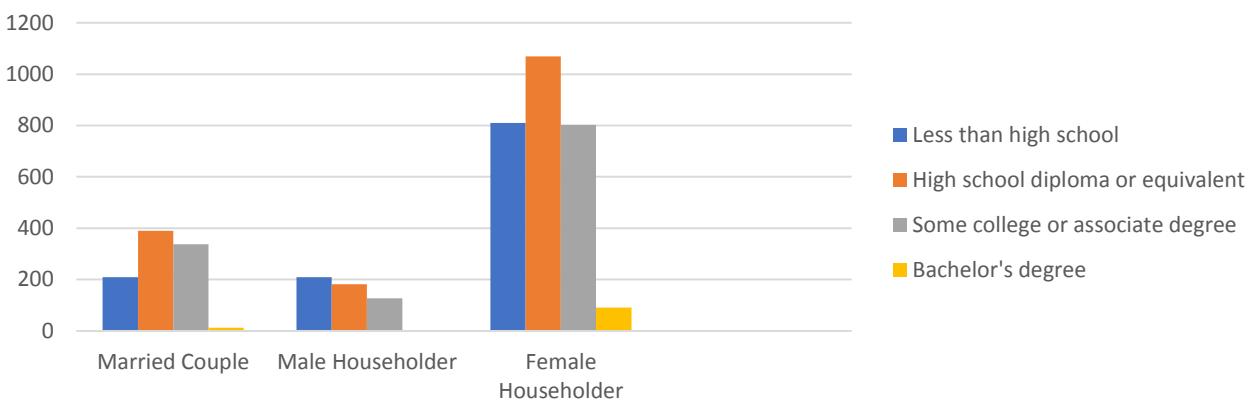
Figure 1: Families Living below Poverty Level with Children



Source: US Census Bureau, 2016 American Community Survey 1-Year Estimates

Lack of education is a common characteristic among families living below the poverty level. For instance, 97% of families in poverty report less than a bachelor's degree (see Figure 2)².

Figure 2: Educational Attainment of Families below Poverty Level



Source: US Census Bureau, 2016 American Community Survey 1-Year Estimates

To meet the need for skilled workers by economic-base employers, there is opportunity to target households in poverty for career pathways training. 4,200 households represent a new potential labor pool of 4,200 residents (assuming one worker per family unit), from which 150 individuals can be recruited.

- Our targeted demographic will be households in poverty giving preference to families where householder has less than a bachelor's degree.

¹ US Census Bureau, 2016 American Community Survey 1-Year Estimates

² US Census Bureau, 2016 American Community Survey 1-Year Estimates

The Economic Imperative:

Since 2015, GGEDC undertook a Business Retention & Expansion (BRE) program in McKinley County, in which it discovered (1) a need for skilled labor by economic-base employers, along with (2) the existence of a generally weak collaborative relationship between industrial employers and workforce training providers. Highlighted in a 2017 report entitled “Education to Employment” by Innovate+Educate, this lack of collaboration has resulted in a shortage of skilled workers and a mismatch of existing skills with job requirements based on McKinley County’s labor force.

To respond to workforce training needs, economic-base employers report making substantial financial investments to acquire personnel and equipment to develop and expand in-house training programs. Despite the investments in in-house workforce development, employers report the need for additional access to workforce training. The desire need for continual training is multi-faceted but reflects a desire to ensure the most proficient workforce possible and to replace skillsets lost when employees retire or are recruited away by other employers in the region and state.

The following represents skillsets economic base employers would like to have available locally:

- Boilermaker
- Electrician – High Voltage
- Instrumentation & Electrical (I&E)
- Machinists
- Mechanic – Industrial
- Mechanic – Diesel
- Millwright
- Pipefitter
- Pipeline Corrosion
- Welding (incl. high pressure welding)

The following lists are current wage levels for sample industrial positions in McKinley County:

OCCUPATION	MIN. EDUCATION REQ.	WAGE
Equipment Operator	HS	\$29.81 - \$39.16 per hour
IC&E	HS	\$29.41 - \$48.78 per hour
Laborer	HS	\$19.79 - \$28.35 per hour
Machinists	HS	\$32.91 - \$48.25 per hour
Welder	HS	\$32.47 - \$47.81 per hour
Plant Operator	HS	\$25.56 - \$43.67 per hour

OCCUPATION	MIN. EDUCATION REQ.	WAGE
Operator	HS	\$20.00 - \$45.00 per hour
Maintenance	HS	\$28.00 - \$40.00 per hour
Instrumentation & Electrical	HS	Up to \$42.00 per hour

ECONOMIC BASE EMPLOYERS



ADDITIONAL CATALYSTS FOR AN INDUSTRIAL EMPLOYMENT PROGRAM

CONSTRUCTION



NGWSP – construct 280 miles of pipeline, several pumping station, and two water treatment plants to deliver 37,764 acre-feet of water.



Rhino Health – to construct a new 124,000 sq. ft. manufacturing facility as part of planned \$49M investment to create first U.S.-based nitrile rubber glove factory in McKinley County, NM.



GMCS – to receive substantial increase in state funding as result of state education lawsuit with portions of funding expected to be allocated for facilities replacement.

TRANSPORTATION & WAREHOUSING



Gallup Energy Logistics Park – is a 2,500-acre industrial park with over 20,000 linear ft. of rail that has been designated by BNSF Railway as a Certified Site.



FAST ACT – is federal legislation regulating hours of service for truck drivers that creates conditions for Gallup-McKinley County to become a national transportation hub.

MANUFACTURING



Rhino Health – is to create 350 jobs across 12 employment classifications with estimated annual payroll in excess of \$12M, while creating first U.S. nitrile rubber glove factory in McKinley County, NM.



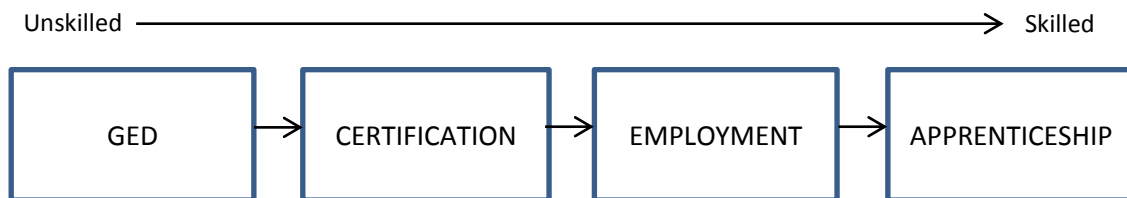
Foreign Trade Zone – designation is attainable by Gallup-McKinley County and is a key asset for recruitment of manufacturing and foreign direct investment (FDI).

U.S. Customs and
Border Protection

High-Level Solution:

With the Industrial Employment Program, GGEDC seeks to implement an innovative approach to workforce development training by offering industrial certification courses built around the needs of employers and the unique demographics and characteristics of McKinley County residents.

Residents are to be placed on a career pathway that includes attainment of a General Equivalency Diploma, resulting in enrollment in an industrial certification course, leading to employment, and culminating with apprenticeship/journeyman.



It is acknowledged that it will not be an easy task to target families with children in poverty for enrollment in the program. Availability of child care and access to transportation are two barriers to employment identified in the Innovate+Educate Report. To alleviate the pressures of finding adequate childcare and reliable transportation, the Industrial Employment Program will seek to make available childcare and transportation to families who enroll in the program. The Industrial Employment Program would be targeted to fill the gap between available subsidies and costs. Without this assistance, many of the individuals would not make it to training let along their place of employment.

With an understanding of the program's intent and direction, GGEDC reached out to known partners and stakeholders to begin assembling the consortium needed to undertake such a mighty objective. Almost immediately, the response was positive with partners indicating a willingness to learn more. Such partners include:

- Associated General Contractors – New Mexico
- Gallup-McKinley County School District
- Navajo Nation Department for Self-Reliance
- New Mexico Workforce Connections
- Northwest New Mexico Council of Governments
- Northern Area Local Workforce Development Board
- Southwest Indian Foundation
- University of New Mexico – Gallup

Gallup-McKinley County School District (GMCS), New Mexico Workforce Connections (NMWFC), and Navajo Nation Department of Self Reliance (NNDSR) will serve as the recruitment pipeline providing a continuous flow of residents for enrollment into the program.

University of New Mexico-Gallup will provide GED programming. Providing a pathway to obtaining a GED is one step toward a permanent move out of poverty. Upon completion of a GED program, the individual will be eligible for placement into a vocational certification course.

Southwest Indian Foundation (SWIF) will serve as the location for delivery and instruction of the curriculum as well as the hands-on training via a 10,000sq. ft. manufacturing warehouse located in Gallup, NM. Associated General Contractors (AGC) - New Mexico provide access to certification curriculum, certified instructors, core assessments, and a certification database.

Northwest New Mexico Council of Governments will provide facilitation services as well as programmatic services related to project documentation. Northern Areal Local Workforce Development Board is interested in gaining best methods and practices for replication across its service territory.

One approach for curriculum design is to utilize National Center for Construction Education and Research (NCCER) curriculum. The NCCER curriculum consists of two parts – core and specialized training. The core curriculum provides flexibility as it does not immediately lock a student into a career pathway, but helps with foundational skills development. For the sectors of construction, transportation and warehousing, and manufacturing, the NCCER core curriculum is perfectly suited for use. The specialized curriculum would be developed in concert with employers for their respective sectors and needs. This customization of training will help to ensure a competitive pool of applicants by developing the skills needed by economic base employers.

A major benefit of utilizing NCCER curriculum is all classroom related instruction is recognized towards all 5 of AGC-NM's Apprenticeship programs:

- Carpentry
- Cement Finishing
- Block Layer
- Glazer
- Craft Laborer

The outcome of the Industrial Employment Program will be a pipeline of residents for employment to who have acquired skills and training for employment.

Key Quantitative Outcomes: By December 2021:

Key Metric:
Increase by 150 individuals, the number of McKinley County residents <u>who have acquired workforce training certifications.</u>
150

Key Metric:
75% placement rate for individuals <u>who have acquired workforce training certification and are seeking employment.</u>
85

Key Metric:
An average yearly salary of \$30,000 will be achieved by individuals who are now employed after obtaining workforce training certifications.

Key Metric:
Increase by 150 individuals, the number of McKinley County residents <u>who have completed an Asset Building Program.</u>
150

Key Qualitative Outcomes: By December 2021:

Key Metric:	Key Metric:
At least 75% of program participants will report improved self-perception for economic security and employment prospects	At least 51% of employers will report improved access to training and workforce skillsets.

Additional Metrics to Track Progress:

Short-Term Metrics:	Medium-Term Metrics:	Long-Term Metrics:
<ul style="list-style-type: none"> • Number and percentage of participants who attain high school diploma or equivalency. • Number of participants enrolled in skillset training programs. 	<ul style="list-style-type: none"> • Number and percentage of participants who complete Household Asset Development Training. • Number and percentage of participants who attain a skillset certification. 	<ul style="list-style-type: none"> • Number and percentage of participants who obtains employment within 60 days.

Call to Action:

The time has come to address the workforce development gap in McKinley County. We can increase household income by getting our local residents employed, to be achieved through the coordinated and collaborative development of new workforce development programming that will lead to career pathways and employment.

Economic and workforce development in McKinley County will benefit from the sustained engagement of a consortium of stakeholders seeking to develop curriculum which provides local residents with the skillsets necessary to secure employment in available economic base industries that provide access to good wages and benefits.

GGEDC is looking for additional partners who are willing to participate in the Industrial Employment Program and help drive program implementation in the following critical areas:

- Client Recruitment and Outreach
- Client Intake / Case Management
- Childcare / Transportation
- GED Training and Assessment
- Certification Training and Assessment
- Job Placement and Reporting
- Curriculum Development and WIOA Certification

Having said that, the McKinley County Industrial Employment Program is not just another training program and it's more than just a placing a body into a job; it's about building an architecture – an ecosystem - that ensures a series of successful handoffs and transitions. It's about the stuff in the middle - the delivery of support services. Why are these priorities?

The Program is recognition that we have been in siloes too long and of how incredibly important support services will be for the unemployed and underemployed as they build career pathways. To close the skills gaps in McKinley County, the Program will require us to be collective in what we do. As a neutral intermediary, GGEDC is ready to facilitate and lead a collective. The employers are ready and the residents are waiting. Is there a role your organization can play to support this initiative?