



QUALITY JOBS. QUALIFIED WORKERS.

TO: WORKFORCE INVESTMENT BOARD (WIB) MEMBERS

FROM: ARTHUR ECKSTROM, DIRECTOR

SUBJECT: Meeting Minutes – February 14, 2014

LOCATION: Universal Avionics Systems Corporation, 3260 E. Universal Way, Tucson, AZ
Engineering Building-Cholla Meeting Room, 520-295-2300

29 WIB Members Present:

Linda Arzoumanian, Office of the Pima County Superintendent
Steve Banzhaf, Retired Attorney and Bank Executive
Jacob Bernal, Tucson Indian Center
Johnson Bia, Pima Community College
Duane Bock, Retired Utilities Consultant
Rose Capono, Southwest Gas Corporation
Judy Clinco, Catalina In-Home Services, Inc.
Vaughn Croft, Office of the Pima County Superintendent
Wilette C. Diggs, Raytheon Missile Systems
Deborah L. Embry, Tucson Urban League
Peggy Feenan, D.E.S. Employment Administration
Michael Guymon, Tucson Regional Economic Opportunities (TREG)
Clayton Hamilton, Outside Input LLC
Peg Harmon, Catholic Community Services of Southern Az
Gregg Johnson, University of Phoenix
Doug Jones, Sabino Electric, Inc.
Dorothy Kret, DK Advocates, Inc.
Zara Larsen, The Larsen Group: Architects of Change
Suzanne Lawder, Goodwill Industries
Kim Murray, Universal Avionics Systems Corporation
Arnold Palacios, Tucson Youth Development, Inc.
Lea Márquez Peterson, Tucson Hispanic Chamber of Commerce
Carl Rosborough, Fred Acosta Job Corps
Paul Roughton, New Horizons Computer Learning Center
Alan Storm, Pima County Joint Technological Education District (JTED)
Pamela K. Sutherland, Downtown Tucson Partnership
Mike Verbout, IBEW Local 570
Frank Watts, Jr., U.S. Federal Government/Military
James Zarling, Excel Mechanical, Inc.

Pima County Staff and Guests Present.

MEETING MINUTES

7:30 to 8:00 a.m.

- I. **Call to Order** – 7:43 a.m., Gregg Johnson
- II. **Roll Call** – Linda Arzoumanian
- III. **Staff Report** (5 minutes) – Charles Casey
 - A. Reviewed Meeting Packet that included the Pima County One-Stop WIA Customer Service Levels and noted a correction needed to Occupational Training that lists 114 WIA Youth and it should be 514. Rapid Response had 3 events/announcements but only two impacted Tucson. Overall U.S. Employment Snapshot for January 2014 shows January Unemployment Rates, number of people employed and unemployed. Arizona Weekly Claims for Unemployment, 02/23/13 to 02/01/14; economy getting better but still needs healing.
 - B. Reviewed Monthly Updates that included (1) **Pima County Workforce** statistics from 12/13, 11/13, and 12/12. (2) **Manufacturing Grant** Pima County One-Stop System accepted \$235,000 grant from the Arizona Commerce Authority (ACA) to provide training to at least 50 workers in the Aerospace and Defense Industry Sector. ACA received an Advanced Manufacturing Jobs Innovation Accelerator Challenge grant funded by five federal agencies. (3) **GED** Each year the One-Stop System and its partners, help hundreds of people of all ages obtain a High School General Equivalency Diploma (GED). The new test to get an Arizona GED is the GED2014. Ownership of the GED test has now been privatized and effective in March 2014, GED testing will be computer based – no paper or pencil allowed. And the price has gone up to \$140 per person, from \$100. (4) **Credentials** The U.S. Census Bureau recently reported that in the Fall of 2012 more than 50 million U.S. adults (or one in four), had obtained a professional certification, license or educational certificate - other than a postsecondary degree awarded by colleges and universities. This is the Census Bureau's first-ever report on this topic and a summary can be found at http://www.doleta.gov/usworkforce/whatsnew/eta_default.cfm?id=6047. (5) **Credential Success Story** about a 53 year old man who got certified as a nursing assistant after working with Pima County One-Stop and Pima Community College. (6) **Workforce Legislative Notes** President's State of the Union Address addressed workforce such as, what can be done better? Please keep your eyes and ears open. The Senate Health, Education, Labor and Pensions (HELP) Committee passed Workforce Investment Act of 2013 (S.1356). (7) **JTED 9th Grade Funding** was eliminated by the Legislature. HB2176 would restore this by allowing 9th grade students to qualify for and be funded with monies provided to the JTED, if the student is enrolled in a career and technical education program that leads to certification in and acceptance by a specific vocation or industry.
 - C. Melinda Cervantez, Library Director, Administration, Pima County Public Library, explained the Bill HB2379 that proposes to cap secondary tax increases for library free districts. Chart and fact sheet distributed. Ten (10) out of 27 libraries including annexes, would close. Sixty (60) employees (equal to 46 full time employees) will be laid off.

IV. Comments from Chair – *Gregg Johnson, waived due to lack of time.*

V. Action Item: To approve January 10, 2014 Meeting Minutes – *Alan Storm motioned to approve, Pamela K. Sutherland seconded, and all approved.*

VI. Action Item: To approve the nomination of Julia Strange, TMC HealthCare, Vice President, Community Benefit, to the WIB. *Arnold Palacios motioned to approve, Debbie Embrey seconded, and all approved.*

VII. Action Item: To approve the nomination of Bev Paul, ASARCO, Corporate Training and Development Manager, to the WIB. *Dot Kret motioned to approve, Kim Murray seconded, and all approved.*

VIII. Action Item: To assign the Mandated Title V Older Worker Program WIB seat to Hank Atha. *Doug Jones motioned to approve, Mike Guymon seconded, and all approved.*

IX. Board Member Announcements/Call to Public

- A.** Johnson Bia, Pima Community College (PCC), reminded everyone about their first Futures Conference, 02/18/14, that will help put the “community” back into PCC.
- B.** Carl Rosborough, Fred Acosta Job Corps, reminded and invited everyone to the Fred Acosta Job Corps. Annual Rodeo BBQ Lunch, 02/20/14, 11 a.m.
- C.** Zara Larsen, The Larsen Group, announced the Tucson Festival of Books, March 15 and 16 at UA. They are 700 volunteers short for this two-day event. Please visit TucsonFestivalofBooks.org if you are available to drive carts or help with set up.
- D.** Lea Marquez Peterson, Tucson Hispanic Chamber of Commerce, invited everyone to their International Trade Mission Trip to Cananea, Sonora, 02/27/14 and 02/28/14, to tour the Grupo Mexico Mine and meet with the Mayor and local Chamber of Commerce. Open to the Public.
- E.** Steve Pagnucco, Universal Avionics Systems, announced 03/06/14 “Tucson Manufacturing Block Party” to raise awareness and inspire a new generation of manufacturers. Part of the 2014 Arizona SCITECH Festival, February – March.

8:00 to 8:15 a.m.

X. Aerospace and Defense Industry Sector Presentation – Steve Pagnucco, General Manager, Manufacturing, Universal Avionics Systems Corporation (UASC), explained that UASC has been involved with the WIB for several years and how they have contributed to the economy in Tucson. UASC is privately held and has its corporate headquarters in Tucson. It’s run by a second generation and the third generation is lined up and ready to continue with this family-owned business. UASC is unique with a family of pilots who know what products are needed in the avionics industry. There are great opportunities available as a region in the aerospace and defense corridor. Their economic development success story includes being founded in 1981, producing their first product in 1982. They moved seven employees from California to Tucson in 1987. UASC purchased land and built their 10,000 square foot building. They got involved with the WIB and other organizations and currently have partnerships with San Miguel High School, Goodwill and Commerce Authority. This past week, Steve met with Pima County One-Stop to find out how UASC can partner with the One-Stop System. They have the latest in technology and for those who are not able to take the facility tour, Steve showed

a 60-minute video to show their manufacturing area where they create and test circuit boards and place them in building systems including black boxes and flight navel recorders. UASC has been in Tucson for 14 years and their average seniority is more than 10 years per employee. They have a 160,000 square foot campus, pay taxes, and now have 288 above-average paying jobs and 288 employees who rent and buy homes and vehicles, that help our economy. UASC also has a 8,000 square foot hangar and a couple of airplanes that they operate frequently. They spend large amounts of dollars in the manufacturing industry to buy parts and make additional purchases that benefit local Arizona vendors. Steve presented Dr. Moffots', Pima County Economic Development, slide presentation. Steve also mentioned the 2,800-acres, south of airport, being targeted for Aerospace and Defense and Industrial Commerce, with high paying jobs to help support all of us. In 2015, Hughes Access Road will be moved south and will allow Raytheon some buffer land and the Air Guard can utilize for needed storage space. Removing Hughes Access Road and adding a parkway will help provide great space for logistics companies, heavy industry, and will provide land for the airport authority.

8:15 to 8:45 a.m.

XI. Aerospace and Defense Industry Sector Supporting Manufacturers Panel –
Facilitator: Dr. Zara Larsen, President, The Larsen Group: Architects of Change

Carol Fagan, Alcoa Fastening Systems, Human Resource Manager
Rosalind “Roz” K. Morrison, Raytheon Missile Systems, Senior Recruiter
Mike Faust, Sargent Aerospace and Defense, Plant Manager
Kim Murray, Universal Avionics Systems Corp., Corporate Director, Human Resources

A. What keeps you up at night?

Roz believes the future workforce needs to be given information via social media (Twitter, Facebook, etc.) because those under 30 years old, seem to be very high tech saavy.

Carol said that those who are looking to retire often have skill sets that are not being passed down.

Mike said on their design engineering side, there is a heavy push for retiring coming up. On the manufacturing side, they have been transferring employees from California to Tucson because they do not have enough skilled workforce.

Kim Murray said they have employees who will retire in the next three to five years and they are seeing a shortage in the interest of this aviation and aerospace industry, from future workforce. UASC trying to come up with incentives to attract people to the industry. We treat our employees well and as we grow, we create more opportunities. Unfortunately, we find shortages on systems and software engineering skill sets.

B. Retaining and Relocating to Tucson

Mike said they recruit from the mid-west and Michigan tends to provide most of their needed, skilled employees. They have grown from 100 to 325 employees over the last ten years.

Kim said UASC used to be able to recruit from University of Arizona but the graduates seem to be leaving Tucson. We are seeking national talent. Program management is another area where we can't find talent and we have to recruit from out of Tucson.

Carol sees the same as Mike. Young UA graduates don't want to stay in Tucson. Tucson has positives and negatives for recruitment. Great for lower cost of living but doesn't have the sexy feel of going to Ebay, Facebook, Google, etc.

Lea Márquez Peterson asked about Machining and Mike said Sargent works closely with PCC manufacturing tool program. TUSD has high school programs. Recently, 20 high school students toured manufacturing. Sargent has manufacturing in Guaymas, Mexico where there is a respect for the field.

Steve Banzhaf said there aren't enough qualified students, and asked Kim Murray if she knows why UA and other students don't want to stay in Tucson. Kim said she's been told from new graduates, that Tucson doesn't have a night life for their generation. They see Tucson as a retirement community and not a place to start their career.

Clayton Hamilton mentioned that the growing downtown Tucson needs to be helped and made known. Duane Bock suggested that the employers should take time to expose the potential recruits, to downtown Tucson.

C. How do we accelerate and what internship opportunities do you provide?

Mike Faust said they traditionally targeted engineers. They expanded and are starting with MBA students and they have placed two machinist interns, straight after high school. The two young machinists work and attend Pima Community College.

D. Could senior employees work part time while transitioning to retirement and recruiting and training the younger workers?

Carol said her employer could be flexible and she doesn't see any older employees who want to work part-time, they want to retire. Current incentive for those approaching retirement is if employee agrees to stay and help train a new hire/replacement, they will receive a lump sum at retirement.

Kim said her employees also want to retire and UASC is trying to get better about preparing for the retirees vs. the new hires.

Lea mentioned the SB1281 which is the return to work program intended to provide a structured, supervised training opportunity to individuals, who volunteer, through employers that volunteer. Participating employers must meet requirements prescribed. An individual in the program shall be at least eighteen years of age and shall register with the department. Individuals may participate in the program for at least twenty hours and not more than 32 hours per week, but not to exceed six weeks. Individuals who participate in the program may continue to receive unemployment compensation benefits.

Gregg Johnson reminded everyone that when people retire, it creates a demand and the demand also creates opportunities.

E. What is the average, entry level starting wage for machinists?

Carol said \$11 to \$12 per hour plus benefits.

8:45 to 9:00 a.m.

XII. Tour Universal Avionics Systems Corporation Facility – Universal Legal Team requested that tour be limited to WIB members and Pima County One-Stop Staff due to difficulty in obtaining clearance for general public. No photos allowed with cameras nor cell phones.

XIII. Next Meeting: Friday, March 14, 7:30 a.m., Pima Community College, Community Campus, 401 North Bonita Avenue, Rooms A109-112, Tucson, AZ

XIV. Adjournment – *8:57 a.m.*