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PIMA COUNTY WORKFORCE INVESTMENT BOARD (WIB)

Planning Committee

Thursday, February 19, 2015, 8:00 a.m.

HealthTrio LLC, Catalina Conference Room, 2nd Floor, 603 N. Wilmot Road

Meeting Minutes

Members Present

Hank Atha
Bruce W. Grant
Duane Bock
Steven Banzhaf
Beverly Price, Chair

Molly Gilbert
Aric L. Meares
Chris Kaselemis
Gregg Johnson

Members Absent

Michael Guymon
Dr. Linda Arzoumanian
Liz Gulick
Stan Steinman
Paul Roughton

Guests and Pima County Staff

Paul Shannon, LMI Director, Arizona Dept. of Administration (ADOA)
Gretchen Corey, ADOA, Office of Employment & Population Statistics (EPS)
Daniel Younan, Economist, ADOA EPS
Breann Preston, Economist, ADOA EPS
Dr. Aruna Murthy, Senior Economist, ADOA EPS
Charles Casey
Anna M. Cunes

- I. Called to Order: 8:12 a.m., Gregg Johnson, Past WIB Chair
- II. Action Item: 01/15/15 Meeting Minutes approved. Duane Bock motioned to approve, Steven Banzhaf seconded the motion, and all approved.
- III. "Industry Sector Partnerships" Follow Up/Updates – Gregg Johnson reported that Tucson Regional Economic Opportunities (TREO) and the Pima County One-Stop are still moving ahead on their Partnerships and so is the Southern Arizona Manufacturing Partners (SAMP) group that is working with the Pima County One-Stop Business Services Team. Hopefully

the demand for machinists will continue and this effort will not stop. The Construction Industry Sector Partnership that was started and being led by Kurt Wadlington, Sundt Construction, Inc., is still meeting and discussing and they are focusing on P3 funding. Businesses within a sector, six sectors defined by the WIB, who are willing to work together and form a partnership that will help them to collaborate rather than compete regarding talent needs, additional products to be developed together, and what current and future needs will be. Then the plan is to bring in education, government and other agencies that can support their industries' needs. We are working on Aerospace and Defense – Manufacturing; Healthcare - Biotechnology/Bioscience and working with Aric L. Meares and Molly Gilbert; and Healthcare and working with Julia Strange, TMC and the Mayor because Healthcare is one of his key initiatives. Two meetings have been scheduled for Monday, March 16 and Tuesday, March 17, 2015. Molly Gilbert, University of Arizona Tech Parks Arizona, will host a lunch meeting at the Tech Parks Arizona for the Healthcare Bioscience Industry Sector and Lindsay Woolsey will introduce the notion of the Partnership to help determine who wants to be a part of the Partnership. The second meeting will be for the potential conveners who are the ones who will convene the Sector Partnership because the business is usually fairly busy and you need someone who can facilitate the Partnership. For example, Michael Guymon is the convener for the Infrastructure Industry Partnership and the Mayor and Gregg Johnson have been the conveners for the Healthcare Partnership. For the convener's meeting, the key partners to be invited and in attendance include the City of Tucson, the Mayor, TREO, Pima County One-Stop, WIB, Pima Community College, University of Arizona, Tech Parks Arizona, and a few others to discuss what it means to convene and keep the initiative going for the industry sector. Gregg Johnson invited Planning Committee members to join the March 16 and 17 meetings.

IV. Pima County Labor Market Information (LMI) Presentation:

Paul Shannon, LMI Director, Arizona Department of Administration (ADOA) introduced himself and four ADOA staff who were also in attendance. Paul Shannon said that his official title is Assistant Director of the ADOA and one of their units is the EPS and he is here today in his role as the LMI Director for the State of Arizona. It is an official designation and each state has a LMI Director to manage the Bureau of Labor Statistics and the Employment and Training Administration Programs as far as they concern labor market information. LMI is important for the WIB to help make planning decisions and it is excellent that Paul and his staff are at this meeting today. A lot of what they want to introduce today is to show how the WIB can use labor market statistics in their planning. LMI is going to be a much a bigger part of the Workforce Innovation and Opportunity Act (WIOA) and WIOA will incorporate a lot more LMI points in the WIB's planning and program

measurements. Paul Shannon's PowerPoint presentation included the following LMI:

- Definitions/Data Products & Services
 - People with jobs are employed.
 - People who are jobless, looking for a job, and available for work are unemployed.
 - The labor force is made up of the employed and the unemployed.
 - People who are neither employed nor unemployed are not in the labor force.
 - The two different types of measures are occupation and industry. Occupation describes what a worker does and industry describes what the business does. The WIB's six sectors are industries and not occupations so the WIB needs to know how to translate an industry-driven sector to the occupations that people need to have a job.

- Employment Estimates
 - Current Employment Statistics (CES) can analyze employment levels include Over the Month: Numeric/Percent Change; Issue: Large influence of seasonal factors; and Main Use: Compare changes to previous years in the same month – comparison of previous years point-in-time estimates or Over the Year: Numeric/Percent Change; Issue: Less influenced by seasonal factors; and Main Use: Compare changes to previous time periods – long-term trends (growing, declining, accelerating, or decelerating). Paul Shannon said they can provide better statistics if the WIB tells them what the WIB is trying to do at the more detailed level. Aric L. Meares asked how a company gets a code. He has owned his business for several years and has never been contacted. Paul Shannon replied that Bureau of Labor Statistics (BLS) staff determines the coding.

- Pima County Target Sectors
 - Employment estimates provided for Aerospace and Defense - Manufacturing, Emerging Technology, Logistics, Health and Bioscience, Natural and Renewable Resources, and Infrastructure. Dr. Aruna Murthy explained that she needs someone to tell her, what are the occupations and industries that are within each sector. The Planning Committee needs to provide EPS with information about the numbers that are desired to be measured within each Industry Sector. Charles Casey confirmed that the Planning Committee did define the Pima County WIB's six sectors. Hank Atha asked if a list of company names can be provided, per sector. Dr. Aruna Murthy replied that she can provide numbers but not names. Dr. Aruna Murthy suggested the *Reference USA* website or the *Book of Lists* for anyone who wants to locate a list

of all the same businesses in a designated area (i.e., Pizza Huts, Walmarts). Hank Atha asked if military personnel are included in the government sector and Dr. Aruna Murthy replied no. Charles Casey said that in the Emerging Technology Industry Sector, the WIB is trying to capture small, cutting-edge companies, and business start ups. Dr. Aruna Murthy mentioned that the Scientific Research & Development slide has data closest to and for the Emerging Technology Industry Sector. In the Logistics Industry Sector, Transportation and Warehousing annual employment in 2013 was 6,360. Healthcare may be the strongest sector in Arizona and nationally. Replacement jobs need to happen in the Infrastructure – Construction industry. Charles Casey asked if the WIB can receive income statistics about an occupation in one industry compared to the same occupation in a different industry and Dr. Murthy replied yes. The Employment and Training Administration and the Census Bureau have a joint program with education attainment data used based on social security numbers and birthdates. They estimate, based on occupation, what your probable education attainment level is and it is good data.

- Arizona and Tucson MSA's Post-Recession Recovery
 - Tucson's employment recovery is 4.2% below and Tucson has always taken a little longer. Gregg Johnson asked if housing "buying" numbers could be related to the decreasing population? Paul Shannon replied that there is an economist in Phoenix who provided information and that there are other causes that feed in to it. One factor is that it is difficult to get a loan right now and whether a homeowner is under water. Dr. Aruna Murthy said the population is increasing at 1.3% in Arizona. In the early 1990's, the average growth rate was 3 to 3.5%. Less people are moving to Arizona for jobs.

- Forthcoming Employment Forecast
 - Industry Projections - Estimates are categorized by what an industry does (North American Classification System, NAICS) and Industry projections are produced using monthly and quarterly employment data series, non-covered employment data, and various economic indicators.
 - Occupation Projections - Estimates are categorized by what the worker does (Standard Occupational Classification System, SOC) and Occupation projections are produced using industry projections in conjunction with industry staffing patterns.

- Cluster Industries
 - University of Arizona provided the information and may be valuable for the WIB. Metro Tucson is number one in the nation for

Missiles and Space Vehicles (however this has been a declining industry of late). "Cluster composition has been found to be an important factor in explaining growth potential, wage levels, and competitiveness. Understanding a region's cluster composition informs local economic developers' efforts to promote their economy."

Paul Shannon said they would like to attend WIB Planning Committee meetings as needed and continue to work with the Committee, but a later meeting start time would be more convenient. The Committee agreed to accommodate the ADOA EPS staff with a later start time.

Paul Shannon invited attendees to contact their office at any time:

Contact Information

Website: <https://laborstats.az.gov/>

Phone: 602.771.2222

Email: labor.info@azstats.gov

- V. Charles Casey, Pima County Community Services, reminded everyone that the Planning Committee will need to create a new WIOA Plan so the WIB will need to confirm that they want to continue to work with the current six sectors that were defined by the WIB.
- VI. Next Meeting: March 19, 2015, 8 a.m., HealthTrio, LLC
- VII. Adjourned: 9:20 a.m.