

ADDRESSING THE NEEDS OF EMPLOYERS AND WORKERS IN THE **SALINAS VALLEY**

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OVERVIEW

Five cities in the Salinas Valley—Gonzales, Greenfield, King City, Salinas, and Soledad—are working together in an innovative regional initiative to assess the workforce, education, and training assets in their communities; compile a comprehensive labor market information (LMI) analysis of the region; and ultimately develop sustainable, regional sector partnerships that will identify and address the workforce needs of two industry sectors that are key to the regional economy. These partnerships—comprised of employers within a specific industry, education and training providers, and other key stakeholders with the capacity to address the workforce needs of a sector—will identify the common workforce needs of the target sector and develop and implement solutions customized to meet those needs. In addition to benefiting employers, these partnerships will aid workers seeking to enter and advance in these industries.

The National Resource Network (NRN) is helping in this endeavor by providing assistance through its partner Jobs for the Future (JFF), a Boston-based nonprofit that focuses on helping states and regions develop and implement innovative and effective workforce and education models. Since October 2015, JFF staff have conducted three site visits in the Salinas Valley to meet with city leadership and complete extensive asset mapping, which has also helped support the LMI analysis. Based on this work, JFF has developed this Sector Partnership Plan to help the five cities identify and address key decision points needed to launch sector partnerships in targeted industries. This Sector Partnership Plan includes a summary of key LMI for the Salinas Valley, focusing primarily on two of the largest sectors in the area, agriculture and health care. It summarizes key findings from JFF’s asset mapping, and outlines key issues and recommendations for the cities to consider as they take the critical next steps in launching sector partnerships.

PART I. SUMMARY OF LABOR MARKET INFORMATION IN TARGETED SECTORS

LMI is an essential tool for stakeholders developing sector partnerships, as it can provide insight into local demographics, economic drivers, and potential levers for education and workforce development. In the analysis that follows, JFF provides an overview of the Salinas Metropolitan Statistical Area (MSA), highlights key trends in the agriculture and health care sectors, and offers occupational statistics for growing occupations within these sectors.

SALINAS: SUMMARY OF LABOR MARKET INFORMATION IN TARGET SECTORS

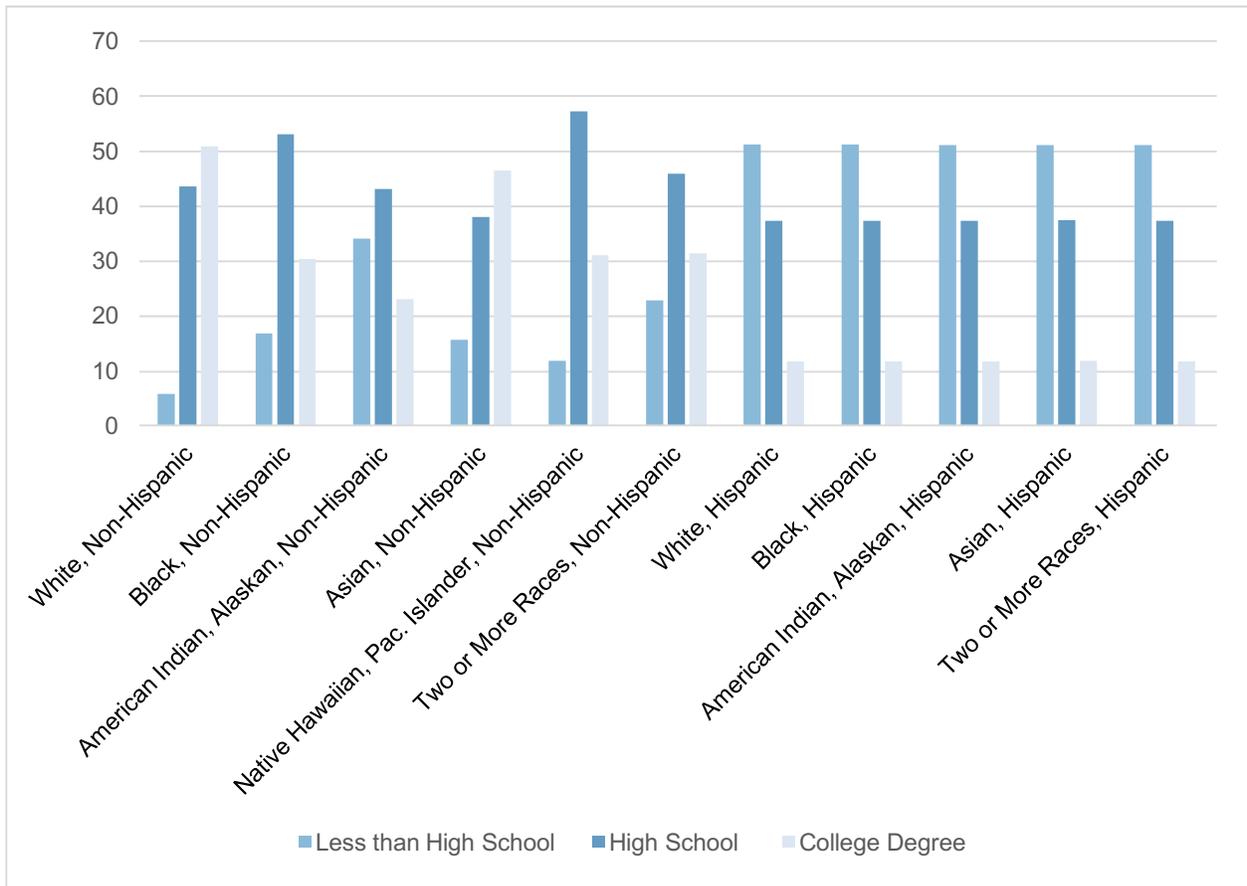
- 1) **Overview.** The Salinas MSA¹ includes all of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Soledad, and Seaside. The population is approximately 433,901, of which 52% are white Hispanic; 30% are white non-Hispanic; 6% are Asian; and 3% black non-Hispanic.² Nearly half (46.2%) of Salinas residents speak Spanish.³ While education attainment among non-Hispanic whites is close to the national average, there are significant discrepancies by race. See Figure 1 for the local distribution of educational attainment by race/ethnicity.

¹ In the remainder of this analysis, the MSA is referred to simply as “Salinas.”

² Emsi Analyst. 2016.4 data extracted by S. Lamback.

³ QCEW Employees, Non-QCEW, Self-Employed, and Extended Proprietors. Emsi data 2016.1 Class of Worker.

Figure 1: Educational Attainment by Race/Ethnicity, 2015⁴



2) **Employment.** Two aspects of employment in the Salinas Valley are particularly noteworthy:

- The labor force participation rate in Salinas for the population 16 years of age and older is 61.8%, which is slightly lower than the national average of 63.9%.⁵
- The median hourly wage for the region is \$19.43, which is above the living wage for a single adult at \$12.28, but below that for two adults and one child, which is \$22.95.⁶

3) **Unemployment and Poverty.** Salinas currently has one of the highest MSA-wide unemployment rates in the country, ranking 379 out of the nation’s 387 MSAs.⁷ In

⁴ QCEW Employees, Non-QCEW, Self-Employed, and Extended Proprietors. Emsi data 2016.1 Class of Worker. Data extracted by S. Lamback.

⁵ U.S. Census Bureau, 2010–2014 American Community Survey, Five-year estimates for the U.S. and for Salinas MSA. Retrieved from American Fact Finder: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

⁶ MIT Living Wage Calculator, Living wage for the Salinas, CA, MSA.

⁷ Bureau of Labor Statistics, Local Area Unemployment Statistics (February 2016): Not seasonally adjusted. Retrieved from <https://www.bls.gov/lau/>.

February 2016, the unemployment rate in Salinas was 10.8%—nearly double the unemployment rate in both California (5.7%) and the nation (5.2%) during the same period. While that unemployment rate is worrisome, it represents a significant drop from the high of 17.6% during the peak of the recession and a slight drop from the previous month's unemployment rate (11.2%).⁸ Compared with neighboring California MSAs, the February unemployment rate in Salinas is similar to that of the Fresno MSA (10.5%), but significantly higher than the San Jose MSA, immediately to the north (3.9%).

The unemployment rate in Salinas appears to follow a cyclical pattern that coincides with the growing seasons.⁹ The MSA typically experiences higher unemployment rates during the winter, which tend to drop significantly—often by as much as 5%—during the summer and shoulder months (May to October).¹⁰

Between 2010 and 2014, 13.3% of all families had an income below the poverty level; 17.2% of all individuals fell into this category. This is slightly higher than the national rate of 11.5% for all families and 15.6% for all individuals.¹¹

- 4) **Key Industries.** The Salinas economy relies heavily on agriculture: crop and agricultural production represents approximately 12% of the MSA's \$18.6 billion gross regional product (GRP), which is the largest percentage of any single industry other than government (23%). Wholesale trade, retail trade, and health care and social assistance each make up approximately 6% of the GRP.¹² See Figure 2 for a depiction of quarterly employment by two-digit North American Industry Classification System (NAICS) sector in Salinas. The trends in Figure 2 also provide insight into the cyclical employment (and, similarly, unemployment) patterns experienced by the region. The industry jobs multiplier highlights the extent to which a particular industry affects regional job creation. Crop production (NAICS 111000) has a jobs multiplier of approximately 1.5, indicating that one job in the industry creates approximately 0.5 additional jobs within the region; the jobs multiplier is similar for food manufacturing/canning industries within the region. Within health care, the multiplier is slightly higher for hospitals (NAICS 62110), at 1.6.¹³ These multipliers indicate that training and placing workers in agriculture and health care not only helps workers and employers in those sectors, but also strengthens the regional economy by supporting job creation.

⁸ Bureau of Labor Statistics, Local Area Unemployment Statistics. (January 2006–February 2016). Retrieved from <https://www.bls.gov/lau/>

⁹ State of California, Employment Development Department, Labor Market Information Division, (2017). "Salinas Metropolitan Statistical Area Unemployment." Retrieved from [http://www.labormarketinfo.edd.ca.gov/file/lfmonth/sali\\$pds.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/sali$pds.pdf)

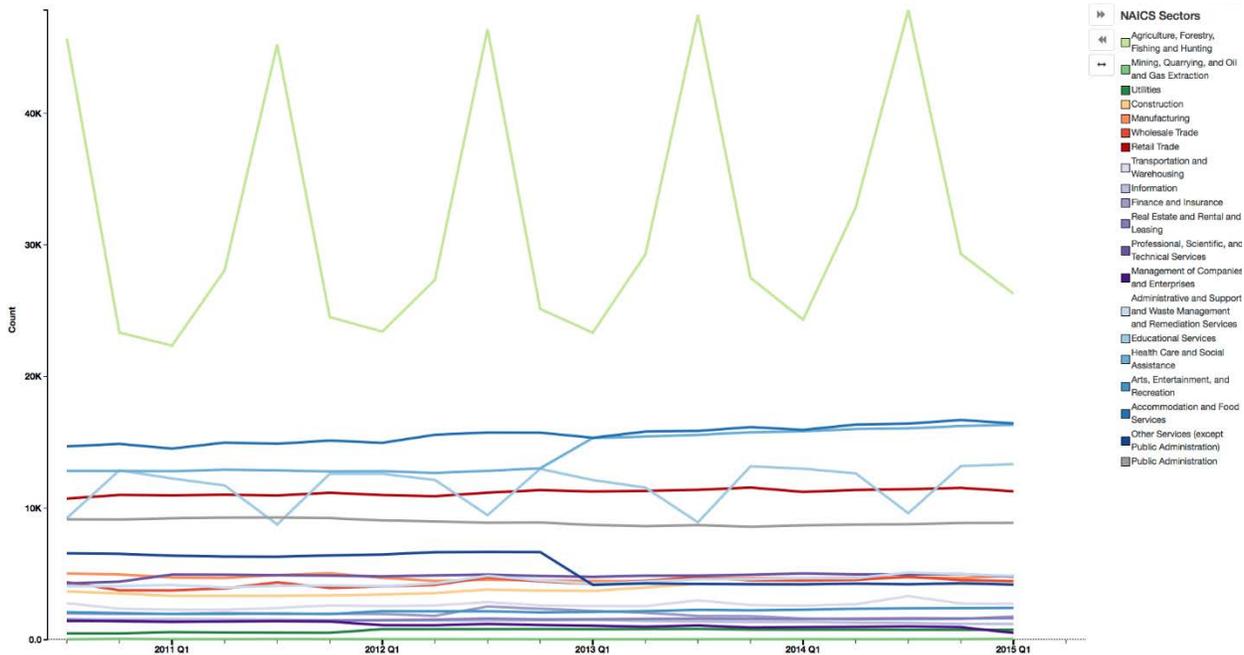
¹⁰ Bureau of Labor Statistics, 2006–2016 Estimates, Local Area Unemployment Statistics for the Salinas, CA Metropolitan Statistical Area (not seasonally adjusted). Retrieved from <https://www.bls.gov/lau/>

¹¹ U.S. Census Bureau, 2010–2014 American Community Survey, Five-year estimates for the U.S. and for Salinas MSA. Retrieved from American Fact Finder, <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

¹² All data in this bullet point are from Emsi, 2013, the most recent year for which these data are available. Extracted by S. Lamback.

¹³ Emsi. 2014 Input/Output data. Extracted by S. Lamback.

Figure 2: Salinas Metropolitan Statistical Area: Full-Quarter Employment Counts, by Two-Digit NAICS Sector, 2011–2015¹⁴



5) **Top Employers.** Salinas has a significant employer presence in agriculture, health, and government. The region is overwhelmingly dominated by employers in crop production and agricultural support. Together, these two areas employed nearly 55,000 individuals in 2015, representing almost 13% of the MSA’s total workers. Employers include well-known companies such as Dole, which is the world’s largest producer and marketer of fresh fruit and vegetables.¹⁵ By comparison, the health care industry employs approximately 13,000 individuals, or about 3% of the regional population. The U.S. Department of Defense also has a significant presence in Seaside, including the Naval Postgraduate School and the Presidio of Monterey Army Base. The resorts in the Pebble Beach area form the basis of the region’s hospitality industry. See Table 1 for a list of the top health care and agriculture employers in the MSA, listed alphabetically by sector.

¹⁴ U.S. Census Bureau, Center for Economic Studies, LEHD. QWI Explorer. Retrieved from <http://qwexplorer.ces.census.gov/exp-r/f49a2.html?st=CA&v=line&fc=true&t=ac0&extra=x%3D0%26g%3D0>.

¹⁵ Dole. (2016). Retrieved from <http://www.dole.com/AboutDole/Careers>.

Table 1: Select Top Employers: Salinas, California MSA¹⁶

Employer	Industry	Location
Rocket Farms	Farms	Salinas
Bud of California	Fruits and Vegetables—Growers and Shippers	Soledad
D'Arrigo Bros. Co.	Fruits and Vegetables—Growers and Shippers	Salinas
Dole Food Co.	Fruits and Vegetables—Growers and Shippers	Soledad
Mann Packing Co.	Fruits and Vegetables—Growers and Shippers	Salinas
Misionero Vegetables	Fruits and Vegetables—Growers and Shippers	Gonzales
Taylor Farms	Fruits and Vegetables—Growers and Shippers	Salinas
Azcona Harvesting	Harvesting—Contract	Greenfield
Hilltown Packing Co.	Harvesting—Contract	Salinas
Natividad Medical Center	Hospitals	Salinas
Salinas Valley Memorial Healthcare	Hospitals	Salinas
Al Pak Labor	Labor Contractor	Soledad
Quality Farm Labor	Labor Contractor	Gonzales

6) **Top Occupations in Health Care.** Compared with agriculture, Salinas’s health care sector is relatively small; however, it is growing rapidly and is anticipated to see further increases over the next 10 years. For individuals without postsecondary education, positions like personal care aide and home health aide provide entry-level health care opportunities in the region. These jobs are projected to see enormous growth over the next 10 years—primarily due to an expansion in senior care—but the average hourly wage of \$10–\$11 falls below the living wage for an adult in Salinas.¹⁷ While these positions are important entry points to the health care field, occupations like registered nurse (which requires an associate’s degree), health information technician, and EMT paramedic offer a family-supporting wage and require some postsecondary education but less than a bachelor’s degree. See Table 2 for additional information on the region’s top health care occupations.

¹⁶ State of California, Employment Development Department. (2015). “Major Employers in Monterey County.” Data provided by America’s Labor Market Information System (ALMIS) Employer Database, 2016, 1st Edition. Retrieved from <http://www.labormarketinfo.edd.ca.gov/majorer/countymajorer.asp?CountyCode=000053>.

¹⁷ QCEW Employees, Non-QCEW, Self-Employed, and Extended Proprietors data from Emsi 2016.1 Class of Worker. Extracted by S. Lamback.

Table 2: Top Health Care Occupations by Employment and 10-Year Occupational Projections¹⁸

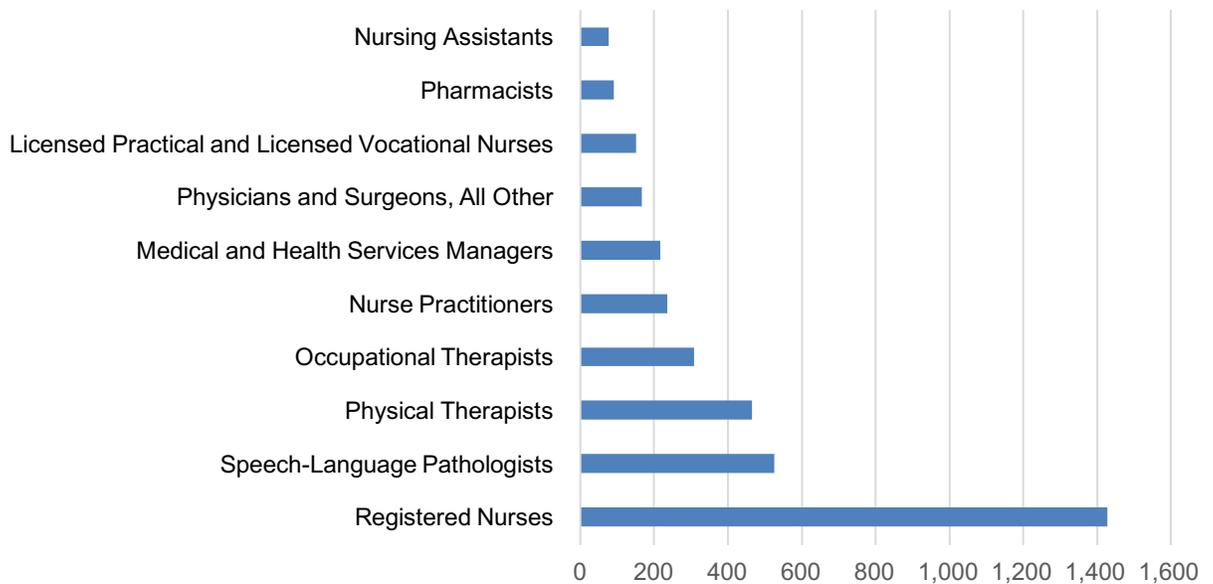
Occupation	2015 Jobs	2025 Jobs	2015–2025 % Change	Median Hourly Earnings	Entry-Level Education	Number of Job Postings
Registered Nurses	2,670	2,892	8%	\$48.47	Associate's degree	1,433
Personal Care Aides	1,550	2,628	70%	\$10.81	Less than high school	43
Home Health Aides	493	796	61%	\$11.10	Less than high school	21
Medical and Health Services Managers	290	322	11%	\$46.52	Bachelor's degree	217
Health Care Social Workers	241	298	24%	\$17.79	Master's degree	18
Mental Health Counselors	157	207	32%	\$17.94	Master's degree	43
Medical Records and Health Information Technicians	156	168	8%	\$17.28	Postsecondary non-degree award	27
Health Care Support Workers, All Other	156	163	4%	\$19.19	High school diploma or equivalent	n/a
Emergency Medical Technicians and Paramedics	111	153	38%	\$16.19	Postsecondary non-degree award	20
Health Educators	93	104	12%	\$18.19	Bachelor's degree	34
Nurse Practitioners	66	81	23%	\$54.85	Master's degree	237
Occupational Health and Safety Specialists	64	70	9%	\$32.45	Bachelor's degree	17

7) **Real-Time Labor Market Analysis: Health Care.** Based on an analysis of real-time LMI (or job-posting data), it's possible to gain insight into occupations in greatest demand, as well as the specific skills and credentials that employers seek in new hires, and to identify the employers with the most posting activity. In 2015, there were approximately 4,850 postings for jobs in the health care sector in Salinas. See Figure 3 for the occupations with the most posting activity during this time period. Within these occupations, specialized skills such as treatment planning, patient care, therapy, rehabilitation, and home health are most frequently listed in job postings. In addition, workforce readiness skills such as communication, organizational skills, writing, planning, and English are also in high demand.¹⁹

¹⁸ All data in the table are QCEW Employees, Non-QCEW, Self-Employed, and Extended Proprietors data from Emsi (2016.1 Class of Worker)—except for job-posting data, which are full-year 2015 data from Burning Glass Labor/Insight. Data extracted by S. Lamback.

¹⁹ Burning Glass Labor/Insight. Data are based on postings in the Salinas, CA, MSA. This is full year 2015 data. Industry: Ambulatory Health Care Services, Hospitals, Nursing and Residential Care Facilities. Extracted by S. Lamback.

Figure 3: Top Health Care Job Postings, 2015²⁰



8) **Top Occupations in Agriculture.** As noted, the economy of the Salinas MSA is dominated by agriculture. Most occupations within the sector are available to individuals either without a high school diploma or its equivalent or with a high school degree. Among agriculture workers in Salinas, the vast majority (approximately 68%) are employed as farmworkers or pickers. The location quotient of 35.10 (in Table 3) signifies that farmworkers in the Salinas MSA are **35 times** more concentrated than in the nation as a whole. Most farmworkers have relatively low wages, as evidenced by a median hourly wage of less than \$10. There are, however, more highly skilled occupations such as management/supervision, equipment or service technician, and agribusiness that offer significantly higher wages. For example, the median hourly wage for farm equipment mechanics and service technicians is \$18.06, and first-line supervisors earn \$21.94. See Table 3 for more information on the agricultural occupations with the highest employment in the region.

²⁰ Burning Glass Labor/Insight. Data are based on postings in the Salinas, CA, MSA. This is full year 2015 data. Industry: Ambulatory Health Care Services, Hospitals, Nursing and Residential Care Facilities. Extracted by S. Lamback.

Table 3: Top Agriculture Occupations by Employment and 10-Year Occupational Projections²¹

Occupation	2015 Jobs	2025 Jobs	2015–2025 % Change	Median Hourly Earnings	Entry-Level Education	2015 Location Quotient
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	37,620	41,577	11%	\$9.90	Less than high school	35.10
Farmers, Ranchers, and Other Agricultural Managers	3,491	3,847	10%	\$24.96	High school diploma or equivalent	1.50
Packers and Packagers, Hand	1,881	2,154	15%	\$9.88	Less than high school	1.94
Agricultural Equipment Operators	1,439	1,766	23%	\$11.96	Less than high school	14.13
Farmworkers, Farm, Ranch, and Aquacultural Animals	1,247	1,372	10%	\$11.56	Less than high school	10.89
First-Line Supervisors of Farming, Fishing, and Forestry Workers	1,238	1,369	11%	\$21.94	High school diploma or equivalent	15.89
Graders and Sorters, Agricultural Products	824	958	16%	\$10.49	Less than high school	11.09
First-Line Supervisors of Production and Operating Workers	442	478	8%	\$25.91	Postsecondary non-degree award	0.53
Agricultural Workers, All Other	226	248	10%	\$14.13	Less than high school	11.51
Farm Equipment Mechanics and Service Technicians	196	229	17%	\$18.06	High school diploma or equivalent	3.81
Compliance Officers	149	169	13%	\$34.69	Bachelor's degree	0.43
Agricultural and Food Science Technicians	145	150	3%	\$18.76	Associate's degree	4.53
Pesticide Handlers, Sprayers, and Applicators, Vegetation	140	169	21%	\$14.14	High school diploma or equivalent	2.98
Cleaning, Washing, and Metal Pickling Equipment Operators and Tenders	135	133	(-1%)	\$12.92	Less than high school	4.84
Soil and Plant Scientists	118	132	12%	\$25.53	Bachelor's degree	5.03

9) **Real-Time Labor Market Analysis: Agriculture.** While RT LMI is a useful tool to understand employer demand in many occupations and industries, there are some limitations to these data. Since RT LMI aggregates online job-posting data, industries and occupations that rarely advertise online are significantly underrepresented.²² As a result, job-posting data for agricultural jobs in Salinas are sparse. In contrast to the health care sector, for which there were approximately 4,850 postings in Salinas, there were fewer than 50 postings for the agricultural sector from April 2015 to March 2016.²³ Without good data on employer demand through RT LMI, qualitative data from interviews or focus groups with employers are critical to understanding their needs.

²¹ All data in the table are QCEW Employees, Non-QCEW, Self-Employed, and Extended Proprietors data from Emsi (2016.1 Class of Worker). Data extracted by S. Lamback.

²² An analysis by Burning Glass found that production, construction, extraction, and farming occupations are significantly underrepresented in online job-posting data. "Comprehensiveness of Real-Time Data," Burning Glass (2015).

²³ Burning Glass Labor/Insight. Data are based on 47 total postings in the Salinas, CA, MSA from April 1, 2015, to March 31, 2016. Sector: Agriculture, Forestry, Fishing, and Hunting.

PART II. KEY ASSET MAPPING FINDINGS

The Salinas Valley is well positioned to launch sector partnerships in targeted industries. This section of the Sector Partnership Plan provides an overview of key findings from JFF's asset mapping that will help inform the launch, implementation, and sustainability of partnerships that can benefit all five cities.

- 1) Strong Employer Engagement.** Overall, employers in agriculture and health care play a significant role in workforce, education, and training programs in the Salinas Valley. This ranges from working closely with Hartnell College to develop postsecondary offerings, to advising the area's Regional Occupational Programs (ROPs) on their courses to benefit both youth and adults. It is critical to note that leading employers from both sectors have demonstrated willingness to invest their time and contribute financially to area programs. This deep employer engagement indicates that employers will be willing to participate in sector partnerships.

Two leading examples of strong employer engagement in the economic and workforce vitality of the Salinas Valley are the Monterey Bay Business Council and the Monterey Bay Economic Partnership (MBEP). The Business Council, which focuses on meeting business's needs, has embraced the tenet that successful businesses need skilled workers, and has thus sponsored the introduction of the National Career Readiness Certificate (NCRC). The skills and competencies the NCRC enumerates are useful standards for schools and training organizations to incorporate. MBEP addresses the region's development needs in part by mobilizing dues-paying employer members to advocate for a broad range of improvements and by convening Regional Economic Summits that explore innovative solutions to the region's challenges. MBEP's workforce development initiative uses data analytics to build a talent development framework and resource inventory for the region.

While overall employer engagement is strong, some stakeholders in the southern part of the Salinas Valley noted that employers have not been as engaged in their communities as they have been in the larger cities or in Monterey and Santa Clara Counties outside the Valley. Both agriculture and health care firms are located throughout the Valley, so as sector partnerships begin developing specific workforce solutions to meet industry needs, it will be very important for them to determine how residents and employers throughout the Salinas Valley will access the workforce, education, and training programs developed through the partnerships.

- 2) Resources for Funding Workforce Development, Education, and Training.** The Salinas Valley has an array of resources available to support the costs of delivering workforce services through sector partnerships. The public funds that support workforce services include:

- Formula Workforce Innovation and Opportunity Act (WIOA) funds that the Monterey County Workforce Development Board (WDB) receives annually. The WDB has also been entrepreneurial about seeking national demonstration grants and is currently the recipient of a Workforce Innovation Fund grant to strengthen services to youth. The WDB seldom invests in customized training due to the difficulty it has experienced filling group training programs, but that is an allowable activity that could support the development of sector-focused occupational training programs.
- The \$3 million Workforce Innovation Fund grant awarded to the Monterey County WDB from the U.S. Department of Labor (DOL) to support the “Youth Ambassadors for Peace” project. This project is working with a range of community-based organizations to enhance the skills of youth in the Salinas Valley as well as address gang violence.
- Temporary Assistance for Needy Families funds. Currently, these funds are used primarily for supported work in a program managed by Goodwill Industries; however, the funds are also permitted to support training and other services.
- California Adult Basic Education funds administered by Hartnell College for the region.
- The Employment Training Panel (ETP) provides funding to employers to assist in upgrading the skills of their workers through training that leads to well-paying, long-term jobs. Of potential relevance to Salinas Valley is the ETP California Drought Relief Employment Training Program, which provides training to employers and individuals in regions of the state severely impacted by the drought.
- The California Office of Offender Services and Rehabilitation funds a diverse array of literacy and employment training services for parolees, as does the U.S. Department of Justice. The region’s gang-related crime issues, as well as the presence of a large state prison in Soledad, make these funds highly relevant for the Salinas Valley, but we found limited evidence that any key stakeholders were pursuing them.

The region benefits from philanthropic investment as well. Some organizations currently receive funds from foundations and corporations, and there are foundations and other organizations serving the Salinas Valley that the five cities and their partners could approach for additional resources. For example:

- The California Endowment’s Building Healthy Communities grant awarded to Salinas supports health care career pathways.
- Rancho Cielo is funded primarily through donations from area companies and individuals.

- The David and Lucile Packard Foundation makes investments in the five contiguous counties of San Mateo, Santa Clara, Santa Cruz, San Benito, and Monterey. The foundation's interests include children and youth and organizational capacity-building for grantee nonprofits that provide the programs and services.
- The Safeway Foundation supports nonprofit organizations whose mission is aligned with its priority areas, which include education, health and human services, and assisting people with disabilities.
- Dollar General funds Adult Literacy Grants, providing funding to nonprofits that provide direct service to adults in need of literacy assistance. It directs funding to organizations that focus on adult basic education, GED or high school equivalency preparation, and English language acquisition.
- The California Community College Chancellor's Office released a solicitation this past spring for proposals for Basic Skills Partnership Pilot program grants, with \$10 million in grants available to regions. The five cities should watch for similar opportunities from this office in the future.
- La Cooperative is the statewide association of agencies implementing and administering farmworker service programs. Their five member agencies currently operate 66 service centers throughout 31 California counties, offering comprehensive service packages to rural, agricultural regions.

Sector partnerships can help coordinate these different resources and deploy them to effectively address the specific workforce challenges cited by area employers.

A significant challenge is identifying resources to support the management and coordination functions of sector partnerships. These functions are allowable under the new WIOA, but that source might not be able to fully support the kind and level of staffing needed for multiple, comprehensive sector partnerships. In addition, these funds must ordinarily be competitively awarded every year through an RFP. Philanthropic organizations, such as the Monterey Community Foundation or the United Way, may be approached for longer-term support. Participating employers may also contribute resources to support the staffing of the sector partnerships, especially if their value in reducing longstanding workforce challenges can be demonstrated. Ultimately it will be the responsibility of the sector partnerships themselves to develop a secure funding stream to support their management, but until they become firmly established, they will need assistance from local leadership.

- 3) Strength of Postsecondary Programs.** One of the Salinas Valley's primary assets for workforce, education, and training is the strength of its postsecondary programs. For example, Hartnell College and California State University, Monterey Bay (CSUMB), working in close collaboration with area employers, have built some innovative career

pathways programs that align secondary, community college, and university career and technical education curriculum and career advising with the needs of the Salinas Valley agricultural and health care sectors. These institutions have developed a range of certificates and accelerated degree programs that offer concurrent enrollment in high school and community college, as well as “2 + 1” community college and university opportunities to prepare individuals for jobs at varying skill levels in demand in the region. These models are at the cutting edge of educational innovation nationally, and deserve to be scaled up.

The Center for Employment Training (CET) offers occupation-specific training programs in several locations, preparing individuals for occupations such as truck driving. For court-referred youth, Rancho Cielo provides well-regarded occupational training in the culinary arts and agriculture. Turning Point provides career counseling and job placement assistance to youth and adult ex-offenders.

The Bright Futures Education Partnership, in which CSUMB has played a critical organizing role, places a strong emphasis on postsecondary credential attainment as part of its well-respected, comprehensive cradle-to-career approach to enhancing education outcomes. These providers and initiatives will be critical to the success of sector partnerships as employers will be able to work with them to enhance or develop new programming to address their needs.

- 4) Need for Skilled Workers in Agriculture and Health Care.** Employers in agriculture and health care both expressed the need for additional skilled workers in a range of occupations. In health care, employers are looking for certified medical assistants, phlebotomists, and registered nurses; in agriculture, growers have demand for skilled soil scientists, irrigation technicians, heavy equipment operators, and maintenance technicians, as well as ongoing demand for entry-level workers to pick crops. Employers in the food packaging and distribution subsector look to fill positions in everything from quality assurance technicians to high-level professional occupations.

Sector partnerships can help address current demand for workers by linking education and training providers with employers to implement the most appropriate solutions, from expanding capacity in existing classes to developing new programs as needed. They can also help address this demand by raising awareness of the increasingly attractive wages and benefits of specific entry-level agriculture and health care occupations, while concurrently helping entry-level workers in these sectors advance into more skilled positions by highlighting and expanding existing career pathways.

- 5) Need for Enhanced Adult Basic Education/English Language Skills and Lack of Providers.** Numerous interviewees cited a lack of enhanced English language skills as a critical workforce challenge facing the area’s workforce. At the same time as they noted the poor literacy skills of a significant portion of the region’s adult residents, interviewees repeatedly cited the lack of organizations that provide training in English language skills

in the community as well as limited adult literacy offerings linked to occupational training programs. When asked, a number of them could not cite any organization that provides these services outside of literacy volunteers at the public libraries. Hartnell College has received the state's five-year award for adult literacy services, and this award can be a critical resource to address these challenges.

Given the significant percentage of adults in the region who do not speak English as a first language, the lack of English language skills is a substantial challenge for both employers and individuals seeking career advancement. To build a pipeline of qualified candidates for postsecondary occupational training, sector partnerships could choose to work with area providers to develop the capacity to address this challenge once they convene and catalog employers' pressing workforce needs.

- 6) Benefits of Work-Based Learning Models.** An education and training strategy that aligns well with the needs of the Salinas Valley is work-based learning (WBL), in which individuals receive a wage or stipend while enrolled in education and training to enhance their skills. WBL models such as paid internships and registered apprenticeship programs help address the needs of residents who need an income while participating in training, as well as the needs of employers, whose schedules and production requirements make it challenging for incumbent workers to enhance their skills.

Different types of WBL models are already being implemented in the region, such as an electricians' apprenticeship program offered by the International Brotherhood of Electrical Workers in partnership with Hartnell Community College and WIOA-funded On-the-Job Training contracts offered through the Monterey County WDB. Employers are also open to exploring increased use of WBL models, so sector partnerships could choose to develop and/or expand these models.

The Salinas Valley is well positioned to take advantage of the burgeoning national interest in apprenticeship, an established form of WBL that incorporates both classroom instruction and on-the-job learning to prepare individuals for skilled occupations such as equipment maintenance technician, computer support technician, or quality assurance associate auditor. The State of California's Division of Apprenticeship Standards has staff resources to help employers develop customized apprenticeship programs, and DOL will likely award ApprenticeshipUSA state expansion grants later this year which could support registered apprenticeship programs in the Salinas Valley. Many agricultural food-processing firms in Salinas Valley already have agreements with unions, which can tap into national networks for support in sponsoring apprenticeship training in specific occupations. Employers and sector partnerships could explore these resources, which can provide career advancement training for adults for whom taking time off from work to go to school is not a practical option.

- 7) **Building Capacity of ROP Programs.** The Salinas Valley has a strong foundation of Career and Technical Education programs with opportunities for continued expansion and enhancements. For example, the Mission Hills ROP offers programs targeted at an array of occupations in high-demand sectors, including agriculture and health care. However, interviewees noted that many ROP courses did not yet result in industry-recognized credentials, which are critical for demonstrating that graduates have the skills businesses need and providing workers with opportunities for career advancement. Sector partnerships could choose to collaborate with ROPs to continue enhancing their offerings, for example by incorporating industry-recognized credentials in courses as needed.
- 8) **Lack of Access to Education, Training, and Workforce Services in the Southern Salinas Valley.** Interviewees cited a lack of services in the southern portion of the Salinas Valley. For example, Soledad lacks an American Job Center/One-Stop Career Center; residents in King City have challenges accessing CET's services because of the distance to CET's facilities; and Hartnell College's satellite campus in King City is only open until 5 p.m. Limited broadband access outside Salinas makes it challenging for residents in other cities to access technology-based training that could be provided through Hartnell College's central campus.

As sector partnerships work with area training providers and other organizations to address their workforce needs, it will be critical to continue to explore solutions to these access challenges so that residents throughout the region can benefit. The region is encouraged to explore alternative, nontraditional solutions to these access challenges, such as developing additional satellite facilities, opening offices in the evenings, and investing in mobile training units.

PART III. RECOMMENDATIONS FOR DEVELOPING SECTOR PARTNERSHIPS

As the cities in the Salinas Valley work together to launch sustainable sector partnerships, they should consider five elements that are critical to effective partnerships. This section of the Sector Partnership Plan summarizes each element and provides recommendations.

1) Target Sectors and Number of Sector Partnerships

The Salinas Valley's first critical step is to identify target sectors for its sector partnerships, along with the specific number of partnerships it plans to establish. Lessons from national models of sector partnerships indicate that it is critical for sector partnerships to demonstrate a deep understanding of the needs of the industry with which they are working and that it is preferable for a sector partnership to focus on only one industry sector.

Recommendation: JFF recommends that the Salinas Valley develop sector partnerships in two primary industries, agriculture and health care, for the following reasons:

- Agriculture and health care are two of the largest and most economically critical industries in the Valley, based on total employment;
- Health care already has some established career pathways that help support workers' career advancement;
- A sector partnership in agriculture can help develop and implement career pathways that support businesses' competitiveness by ensuring a well-trained workforce, while at the same time giving workers more opportunities within the industry;
- Sector partnerships that result in career pathways in multiple industries provide workers with a range of employment and advancement opportunities in the Salinas Valley, helping retain residents in the area.

Recommendation: JFF recommends that the Salinas Valley develop two specific partnerships, one for agriculture and one for health care, rather than establish partnerships targeted at specific subsectors within each industry (such as separate partnerships for growers and processors within agriculture). JFF recommends this structure primarily because employers within each industry will likely share some common workforce challenges, even if they reside in specific subsectors, and working within one partnership will enable them to efficiently address these challenges.

2) Industry Champions

Each sector partnership must have an industry champion. The industry champion is a specific individual, often a current or retired executive from the industry, who understands the working environment and occupations, is respected by his or her peers, and has the ability and interest to convene them on a regular basis to tackle their shared workforce challenges.

Recommendation: JFF recommends that the cities and/or agriculture sector partnership ask Lorri Koster, chairman and CEO of Mann Packing Company, to serve as the agriculture industry champion. There appear to be a number of potential industry champions for the agriculture industry, which bodes well for the success of a sector partnership as it suggests a number of individuals will be active participants in the partnership. Because Ms. Koster is well respected by her peers, has demonstrated a strong commitment to the success of the community, and is interested in this work, she is a particularly strong candidate for the role of champion.

Recommendation: JFF recommends that the cities leverage their shared experience in the health care sector to identify a potential industry champion for the health care sector partnership. As the cities consider potential candidates, they are encouraged to identify individuals who can effectively engage both hospitals and public health organizations, and who respect the varying business models and operating structures of area health care providers.

3) Intermediary Organization

The Salinas Valley leadership must identify a strong organization that can serve as a neutral broker, often called an intermediary, to support each sector partnership. This intermediary will staff the partnership, work with the industry champion to convene employers, and coordinate with other organizations, such as education and training providers, to develop workforce solutions that address hiring and training needs. The intermediary must be seen as impartial, must be trusted by employers and other organizations in the community, and must understand the workforce system as well as the education and training needs of community residents. We sometimes refer to this capacity as being “bicultural and bilingual”—equally knowledgeable about the goals, policies, procedures, and terminology of both employers and the workforce system, and able to translate and explain one system to the other so that they can work together.

One of the key functions of a sector intermediary is to build strong collaborative relationships with the sector partners. These relationships will enable the intermediary to identify opportunities and solve problems by bringing together the most appropriate group of organizations to address specific employer needs as well as to meet the workforce needs of specific groups of community residents. These relationships also enable the intermediary to gather and disseminate information about programs and services available within the region, reducing duplication of effort and helping to bridge gaps in services.

Another key function of the intermediary is to identify prospective funding sources to deliver programs and services needed by the industry sector. The intermediary leads a planning process, convening the appropriate partners to design programs and develop proposals for new funding, and works with sector partners, when needed, to help them build their capacity to deliver necessary services.

The intermediary can also play an important role in helping ensure that the entire Salinas Valley has strong access to workforce, education, and training services. The entire regional labor market, both north and south, is critical to the region's success, so it's important for residents throughout the entire Salinas Valley to have local access to different services and resources that can help them enhance their skills. The intermediary can work with area employers, Hartnell College, the Monterey County WDB, the Monterey-Salinas Transit District, and other key regional stakeholders to explore a range of options for ensuring access to services where they are currently limited, such as opening additional satellite Hartnell College facilities, adding additional satellite America's Job Centers, developing the capacity to offer distance learning courses in libraries or schools, expanding access to public transportation throughout the region, and developing a mobile training unit that brings training directly to workers.

Recommendation: JFF recommends that the cities approach MBEP and/or Hartnell College to discuss their interest in serving as sector intermediaries for sector partnerships (the cities could either ask one organization to serve as intermediary for both sector partnerships or have each partnership be staffed by a different organization). Among the various organizations in the region that could potentially serve in this capacity, these two organizations appear to best meet the criteria listed above for an effective intermediary.

The cities have a number of factors to consider as they determine whether they would like one or more of these organizations to play this role. MBEP appears to be respected by employers within the Salinas Valley, and its membership includes business, government, and education representatives from most of the five cities in the Valley. MBEP's mission and current activities are consistent with the role of a sector intermediary, as it works with multiple employers and other stakeholders to develop workforce and economic development solutions. MBEP also appears to have a strong understanding of the needs of employers in the area, and its targeted service area expands beyond the Salinas Valley. These issues would need to be discussed with the MBEP leadership to ascertain their willingness to play the role of "neutral convener" for one or more sector partnerships.

Hartnell College has already built many of the components of strong sector partnerships in both agriculture and health care, effectively working with employers, listening to their needs, developing offerings at the college that address them, and building career pathways with secondary schools and four-year colleges. For example, the Hartnell Foundation, through the California Endowment—funded Building Healthy Communities Initiative, is working closely with employers and other organizations to develop health care career pathways. Hartnell's relationships with employers in agriculture are quite strong, as the college has both advisory input from business on industry needs and capital contributions from them to build the college's

capacity to deliver educational programs tailored to the region's labor market. In the health care sector, Hartnell also has strong employer contributions to curriculum and program development, including providing internship opportunities for Hartnell students.

Hartnell is a trusted education and training provider within the community. One key question to consider is whether Hartnell would be ready to serve as an intermediary, working with organizations throughout the region as a neutral broker to develop a range of workforce solutions, rather than focusing on its traditional role as an education and training provider. In this case, being a neutral broker would entail helping other providers focused on serving special target groups such as ex-offenders or very low-skilled adults become part of the sector-focused career pathways Hartnell is building. It would require Hartnell to engage other training providers, share information about employers' expectations of skill and competency, and assist those organizations in building links between their programs and employers and/or other parts of the career pathways Hartnell is developing. This also includes developing services for lower-skilled adults, offenders, and other community residents who are not on an academic track but for whom access to career-advancement-oriented training is essential. The Hartnell Foundation is aware of the need to expand services to these residents, but the five cities need to learn more about steps the college would take to engage these populations.

4) Financing for the Intermediary

Managing the intermediary function requires dedicated staff time over and above the management required to develop and operate education and training programs. This function does not have a natural funding source, and as a result, the intermediaries will need assistance at the outset to obtain resources to support this work. Based on our prior experience, JFF estimates that each partnership will require at least 50% of a senior-level FTE to effectively staff its efforts, with this individual investing more time during the first four to six months as the plans for the partnerships are finalized, the partnerships are formally launched, employers are convened, and related tasks are accomplished.

Recommendation: As the five cities work with organizations to determine their potential interest in serving as intermediaries, they should also determine if these organizations have existing resources that could be leveraged to support this work, or if additional resources might be needed. Additional resources that could potentially support this work include formula WIOA funds, employer contributions, city revenues, and funds from the United Way or other philanthropies. While our experience has been that the support of community leadership is needed to prioritize funding for the convening function of the intermediary, over time the sector intermediary should develop the capacity to fund some—or even most—of its functions through grant development or other resources.

5) Leadership Structure

The leadership of the five cities will need to demonstrate their commitment and support for their sector partnerships by developing and articulating a shared vision for workforce development in the region, and helping the sector partnerships align resources from a variety of sources, such as corporate, philanthropic, and public entities, to support an investment strategy to carry out their vision. The leadership will ensure that the sector partnerships have the political support to lead reform, develop new programs, and implement strategies that will strengthen workforce, economic, and community development in Salinas Valley.

Recommendation: JFF recommends that leadership from the five cities work together to select an intermediary as described above; articulate their vision for the role that the intermediary will play in strengthening the linkages between workforce, economic, and community development throughout the Salinas Valley; and facilitate access to resources needed to launch sector partnerships.