

ECONorthwest

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Doug Badger
Managing Partner
Quinn Thomas
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Lake Oswego, OR 97035
(503) 639 - 0389

Dear Doug:

Thank you for contacting us about the Associated General Contractors (AGC) Oregon-Columbia Chapter request for proposals for a training sector analysis. Our understanding is that AGC is interested in a report that would identify and propose options to improve the construction training sector. AGC is particularly interested in creating an integrated and coordinated training system, one that produces a pipeline of skilled workers that aligns with the construction industry's needs. We are excited about the possibility of helping ACG achieve this goal.

This brief letter proposal describes ECONorthwest's proposed approach to the training sector analysis, which follows the elements outlined in the RFP. These elements are well constructed and provide a logical roadmap for how to address the topic of creating a more integrated and coordinated training system. We have some preliminary thoughts on how to address each of the six tasks, and look forward to the possibility of examining each task in more detail as part of the project.

This letter also describes our research team, firm qualifications, and anticipated budget for the project. Our research team consists of two PhD-level labor economists (Kevin E. Cahill and Andrew Dyke) and a Harvard-trained policy analyst (John Tapogna). We hope you agree that our team is strong and well qualified to lead this effort, and that our proposed approach is reasonable. Still, we are always open to any suggestions you might have about this proposal and our proposed approach.

Proposed Approach

The proposed scope of work (SOW) consists of six tasks, as outlined in the RFP. Each of the tasks is described below.

Task 1: Inventory all construction-related training programs and key stakeholders within AGC Oregon-Columbia's service area

It is our understanding that AGC Oregon-Columbia Chapter offers a wide variety of safety training and certification programs that are designed with a dual purpose: 1) to meet the education needs within the construction industry, and 2) to meet Occupational Safety and Health Administration (OSHA) requirements. The number and breadth of courses is extensive, ranging from fall prevention to first aid and CPR and from scaffold training to trenching and excavating. Professional development courses are offered as well, including supervisory training and "lean construction," focusing on minimizing costs and maximizing a project's value. This task will involve a detailed accounting of all construction-related training programs, including titles, descriptions, teacher certification levels, certifications granted (if any), hours requirements, and other relevant details. We plan to begin with a discussion with ACG Oregon-Columbia Chapter staff, who might have materials that will help in our efforts. We also plan to conduct an exhaustive web-based search and contact key stakeholders. If it makes sense to do so, we plan to conduct telephone interviews with these stakeholders to best understand what is involved with each program. We will leverage our existing expertise in the field of labor economics to supplement the information we gather and will produce a detailed memorandum that summarizes what we find.

Deliverable: Detailed memorandum that documents construction-related training programs and their key attributes.

Task 2: Clearly outline training program certification processes, including the identification of key constraints and system limitations.

As a natural outflow from the Task 1 deliverable, we plan to review the various training program certification processes and categorize them into groups based on identifiable characteristics. Based on these characterizations we then plan to identify common constraints and limitations across the various training programs. The identified constraints and limitations will be a first step in homing in on areas for improvement.

Deliverable: Summary of training program certification processes.

Task 3: Assess the financial health and performance of these training programs, including recruiting methods, standards alignment, completion rates, and placement rates.

This task examines a different dimension of each of the training programs: attributes that could reasonably be interpreted as metrics of program success. The financial health of a program will

be assessed based on the revenues generated by the program minus the full set of expenses required to conduct it. Importantly, programs that currently generate a positive net cash flow are not necessarily ones to keep in perpetuity just as programs that currently generate a negative net cash flow are ones to drop. Other factors beyond finances also matter. Completion rates and placement rates are clear outcome measures of interest. We suspect these two metrics will be closely aligned with standards, as individuals opting into programs that are closely aligned with standards have a strong incentive to remain in the program and, then, are likely to be placed. The opposite holds for programs that have poor alignment with topic areas and standards that are in demand in the marketplace. Recruiting methods are also worth exploring, both in terms of resource use and efficiency, and in terms of the substance of the messages sent to potential participants. For this task, we plan to speak with program organizers, instructors, and participants to understand how these programs perform.

Deliverable: Summary of the financial health and performance of programs.

Task 4: Research and identify training system best practices across the country which operate in similar environments as Oregon and SW Washington.

The research efforts used to conduct Tasks 1 to 3 will necessary shed light on many training system best practices for those programs in the study area. Based on this knowledge, we plan to ask targeted questions about best practices to program coordinators in other regions of the country. We think other western states is a logical place to start, as the pace of construction activity throughout the west generally resembles that in the AGC Oregon-Columbia Chapter service area.

Deliverable: Summary of best practices.

Task 5: Provide a list of action-oriented options, including recommendations for action where appropriate, that will enhance Oregon and SW Washington training programs to meet the future workforce needs of the region's construction industry.

Based on the research from Tasks 1 – 4 we will assemble a list of recommendations to enhance Oregon and SW Washington training programs. We fully anticipate that our recommendations will leverage the knowledge our team has gained over the years conducting policy research. In particular, we think our work mapping the relationship between the K-12 educational pipeline and the needs of employers will be helpful.

Deliverable: List of action-oriented options.

Task 6: Identify how your team will interface with AGC's Workforce Development Committee, and who will oversee this work. Vendor may be asked to include additional items in the analysis as identified by the committee.

Kevin E. Cahill will oversee all aspects of this project and will be the point of contact for AGC's Workforce Development Committee. We strongly believe that frequent and clear communication is essential for the successful completion of projects. In this case, we are open to scheduling weekly or bi-weekly calls to help communicate progress to date as well as provide any course corrections as the research moves forward. We check email regularly throughout the day and take pride in our responsiveness. And, of course, we are available for phone calls at any time should anyone from AGC Oregon-Columbia Chapter like to know more about our research efforts or have any questions.

Deliverable: Final Report that incorporates the findings from Tasks 1 – 6.

Timeline and Budget

Our plan is to draft a report that is approximately 25 pages in length, with exhibits, footnotes, and references. The target audience for the report is AGC's Executive Committee as well as AGC's Workforce Development Committee. We will work with both committees on a timeline for the report. We estimate that the cost of conducting the project tasks described above and writing the report will be between \$40,000 and \$50,000. All analysis and writing will be conducted on a time and materials basis at our current billing rates.

Staffing

ECONorthwest's project team has extensive experience conducting economic analyses in the education and training space, as well as for a wide range of clients and industries. The qualifications of key staff are summarized below.

Kevin E. Cahill, PhD (ECONorthwest, Boise). Kevin is a project director and partner at ECONorthwest and a research economist at the Center on Aging & Work at Boston College. He has published extensively on topics related to applied microeconomics, labor economics, and public policy and is known nationally for his research on labor market transitions using the longitudinal Health and Retirement Study, a large nationally-representative dataset of older Americans. Kevin's research has been published in *The Gerontologist*, *Research on Aging*, *Monthly Labor Review*, *Topics in Economic Analysis and Policy*, *Work, Aging, and Retirement*, and other academic journals, and by the Center for Retirement Research, the Center on Aging & Work, and the US Bureau of Labor Statistics. Kevin is a member of the American Economics Association, the Gerontological Society of America, the Western Economics Association, and the National Association of Forensic Economics, and currently serves as an ad hoc reviewer for *The Gerontologist*, *The Journal of Human Resources*, *Research on Aging*, *The Journal of Applied Gerontology*, and other academic journals. Prior to joining ECONorthwest, Kevin held positions at Analysis Group and Abt Associates, and served as the associate director for research at the Center for Retirement Research at Boston College. He earned his B.A. in mathematics and economics (with honors) from Rutgers College and his M.A. and Ph.D. in economics from Boston College.

John Tapogna (ECONorthwest, Portland). John is the President of ECONorthwest. He has provided economic, budgetary and analytic support to national, state and local governments in the United States and overseas. Tapogna was a budget analyst at the U.S. Congressional Budget Office, where he forecasted the nation's welfare spending and estimated the cost of key congressional legislation. While at ECONorthwest, Tapogna has developed a practice related to education, low-income wage policy, welfare reform, and child-support enforcement. He serves on the Boards of Directors of Children First for Oregon and of the Portland-area 211 information and referral line.

Andrew Dyke, PhD (ECONorthwest, Portland). Andrew is a partner and senior economist at ECONorthwest, has an economics Ph.D. in labor economics and public finance, and has expertise in program evaluation and applied microeconomic analysis in a variety of areas. He has developed and applied sophisticated econometric models in labor, education, state human services, crime, and other areas. His published research includes a peer-reviewed study examining the relationship between election cycles and the criminal justice system, an evaluation of North Carolina job-training programs that was cited in the President's Council of Economic Advisor's July 2009 "Preparing the workers of today for the jobs of tomorrow" report. Recent education-related work at ECONorthwest includes projects on K-12 and post-secondary education, including an ongoing RCT designed to identify impacts of OMAS's 9th grade transition program, Step Up.

Lauren Butler (ECONorthwest, Boise). Lauren interned with ECONorthwest this past year and recently joined the firm full time after graduating magna cum laude from Boise State University with an undergraduate degree in economics with quantitative emphasis. During her time at BSU, Lauren received the Len B. and Grace Jordan Scholarship, the Dick Payne Scholarship, the Dean's Transfer Scholarship, and the Signature Student Award for the Department of Economics in the fall of 2017. Lauren will serve as a research analyst on this project.

About ECONorthwest

ECONorthwest ("ECO") is a Pacific Northwest-based consulting firm that specializes in economics and financial analysis. ECONorthwest has a staff of over 45 economists, policy analysts, and planners, with offices in Boise, Portland, Seattle, and Eugene. Since 1974, ECONorthwest has provided private clients, governments, utilities, and litigators with many types of services, including:

- economic, fiscal, and environmental impact analysis;
- policy analysis;
- market, valuation, and feasibility analysis;
- economic and demographic forecasting;
- pricing and rate-setting optimization;
- mathematical and statistical analysis; and
- database and model development and management.

ECONorthwest has diverse experience in identifying and quantifying the economic consequences of all types of programs, policies, and events—and a four-decade long reputation for delivering high-quality, credible and timely products that help our clients make informed, data-driven decisions.

Please do not hesitate to contact me if you would like any additional information. We thank you for this opportunity and look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink, appearing to be 'K. Cahill', with a long horizontal stroke extending to the right.

Kevin E. Cahill, PhD