

## Application Score Sheet

Proposed Project: Gulf District Schools, Wewahitchka High School Welding Program (#180)

Proposed Project/Program County: Gulf

Board of County Commission Support: Yes

Total Projected Project Cost: \$744,575

Match Provided: \$494,575

Triumph Funds Requested: \$250,000.00

Triumph Funds Recommended by Staff:

Score: A

ROI: \$14 dollars in personal income gain for every dollar of Triumph Gulf Coast cost.

Triumph Board Approval: Yes/No

Triumph Funds Approved by Board:

Date:

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### **Economic Impact Analysis and Score**

The Gulf County School District (GCSD) Wewahitchka Welding Program proposal describes a set of welding related CTE initiatives and expansions to be offered by GCSD at the Wewahitchka High School. The Triumph request is for \$250,000. The GCSD proposal states that they will contribute \$95,000 per year for each year of program operation.

GCSD describes a program that will need to start with freshman enrollees who then earn CTE credit during their high school career. The project application states that once the entering class of freshman graduates in May 2022, then 10 students per year will graduate with CTE certificates in welding. Over the first 5 full years of operation (May 2022 – May 2027), some 50 students will earn industry-recognized certificates in support of labor market needs in key industry sectors. The average per certificate cost to Triumph is thus \$5,000. This cost is competitive with other education awards made by Triumph to districts in rural counties. With GCSD's stated funding commitment of \$95,000 per year providing the remainder of expenses, for a four-year ramp-up period followed by the first five years of activities at full scale, the GCSD contribution is expected to be \$855,000.

For this type of certificate, substantial increases in wages can be expected for program completers relative to wages associated with a standard high school degree. Assuming relatively conservative average annual increments to completers, and modest increments to completion rates, the program will likely drive substantial increases in net new wages, both initially and over the students' worklife window. Further, the program is projected to be self-sustaining based on the per-full time equivalent (FTE) increment to funding provided by the state once the Triumph funding is completed

For these reasons, staff rate this program “A” in terms of economic impact.

### **Return on Investment**

Staff suggest that the Triumph Board adopt an ROI metric that is based on increased personal incomes in the region that are expected to result from Triumph funding expended in support of a given project. Specifically, staff propose that our measure of ROI be constructed as the ratio of gains in personal income to Triumph cost. The numerator would be the appropriately discounted value of the increment to inflation-adjusted personal income due to the project (including direct, indirect, and induced increases in personal income) measured over a 20-year period, while the denominator would be the appropriately discounted value of Triumph costs for the project over the period of expenditure.

For this project, the gain in projected discounted personal income over the 2019 – 2038 period is \$67,849 per completer, and the projected cost to Triumph is \$5,000 per completer, for a ratio of \$14 dollars in personal income gain for every dollar of Triumph Gulf Coast cost.

### **Project Summary (based on information provided by the applicant)**

Gulf District Schools is requesting \$250,000.00 in Triumph Gulf Coast grant funds for the expansion of a welding program at Wewahitchka High School (WHS). The proposed workforce training grant request will provide welding instruction via a certified welding instructor to high school students and retrofit an existing vocational building on WHS’s campus. Students will receive training necessary to obtain industry certification in welding through a National Center for Construction Education & Research (NCCER) approved program.

Funding provided through this grant would be used to retrofit and equip an existing vocational building at Wewahitchka High School. It would provide electrical power for welding machines, welding booths, necessary hand tools and appliances, and start materials. It would not be used for salaries, classroom computers or textbooks.

The primary objective of the program is to produce high school graduates with industry certification in the field of welding. Prior to Hurricane Michael, this area was ripe for the development of ports, maritime-related companies, and growing shipbuilding industries.

A large agriculture company in the community placed job postings for Mechanic/Welder positions. This bodes well for graduates with welding certification and skills. Hurricane Michael left unfathomable damage in its wake, but in doing so created more demand for skilled laborers such as welders.

Port St. Joe Hight School (PSJHS) has established welding program and funds from this grant would allow the District to offer students at both ends of the county equitable opportunities for growth in in this vocational area. The veteran welding instructor at PSJHS will serve as a mentor to the new instructor at WHS and will also lend expertise into the design of the program and retrofit of the facility.

Recently, students at Wewahitchka High School were surveyed to ascertain their interest in a welding program. 75% of the students participated in that survey. 62 males and 17 females indicated an interest in completing a 4 year welding program.

The NCCER standardized core curriculum proposed to be used, includes modules on basic safety, construction math, hand & power tools, construction drawings, communication & employability skills, and an introduction to material handling. The Welding Level One curriculum includes welding safety, oxyfuel cutting, plasma arc cutting, air-carbon arc cutting & gouging, base metal preparation, weld quality and joint fit and alignment. It also includes shielded metal arc welding (SMAW) equipment, electrodes, beads & fillet welds with backing, groove welds and open root groove welds.

Completion of the level one curriculum results in a Level One Industry Certification. At the next level, accelerated students are taught to read welding symbols and welding detail drawings. The physical characteristics and mechanical properties of metals, gas metal arc welding (GMAW) & flux-cored arc welding (FCAW) are also covered in depth. Completion of this curriculum results in Level Two Industry Certification. Students are required to master appropriate hands-on performance tasks at all levels.

Tom P. Haney Technical Center in Panama City offers a Welding Technology program and a Welding Technology-Advanced program. WHS students who have successfully completed the core curriculum and the Welding Level One curriculum meet the criteria for enrollment in Welding Technology-Advanced. Those who have completed only a portion of the curriculum would be enrolled in Welding Technology and resume studies and continue to progress through the program.

After school hours the WHS instructor and facility can be used to offer training to the public so that individuals can increase their employability by learning welding basics or honing existing skills. Tuition would be kept a minimum and used only to cover the costs of operation.

Gulf District Schools is prepared to provide the salary and benefit package for a certified welding instructor and a trained paraprofessional. Materials to sustain operation of the program will be provided through general operating funds of the district and through Perkins Rural and Sparsely Populated Areas Career and Technical Education Programs. Continued efforts to obtain additional funding through business partnerships and grant opportunities in an effort to enhance the program will occur.

The U.S. Bureau of Labor Statistics reports that the need for welders is expected to grow by 26% by 2020. This makes welding one of the fastest growing professions in America. The welding industry offers higher than average starting pay, good benefits, and promise for growth. Welders can find employment in manufacturing, construction, industrial maintenance and repair, and ship building. The median pay in 2017 was \$40,240 per year/\$19.35 per hour.

**Funding and Budget (as provided by the applicant)**

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

<b>Electrical Work</b> Electrical power for 17 phase 3 welding machines 950 amps each); upgrade electrical service to the building from 400 amps to 1200 amps (3 phase, 2018/120 volt); providing feeder wires from utility poles approximately 150LF to building service; re-feeding existing 400 amp 3 phase 208/120 panel; installing new 800 amp 3 phase 120 convenience outlets; and supplying required electrical engineered drawings.	95,000
<b>Construction of Welding Booths &amp; Ventilation</b>	17,000
<b>Materials</b> Sheet metal, tubing, rounds, uncoated pipe, angle iron, etc.	20,000
<b>Welding Equipment</b> Welding machines, gas bottles, hoods, jackets, grinders, gloves, etc.	75,000
<b>Hand Tools</b> Grinders, bench vises, drill presses, reciprocating saws, torch kits, blast cabinet, pipe beveler, etc. Included in this figure is a washer, dryer, and ice machine.	43,000
<b>TOTAL</b>	<b>250,000</b>

Salaries contributed by Gulf County School Board:

<b>Instructor</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>TOTAL</b>
Base Salary	46,300	47,500	48,700	49,900	51,200	
FICA	2,871	2,945	3,020	3,294	3,175	
Medicare	672	689	707	724	743	
Retirement	3,922	4,024	4,125	4,227	4,337	
Insurance	8,100	8,100	8,100	8,100	8,100	
<b>TOTAL Instructor</b>	<b>61,865</b>	<b>63,258</b>	<b>64,652</b>	<b>66,245</b>	<b>67,555</b>	
<b>Paraprofessional</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>TOTAL</b>
Base Salary	22,045	22,236	22,422	22,617	22,807	
FICA	1,367	1,379	1,391	1,403	1,414	
Medicare	320	323	325	328	331	
Retirement	1,868	1,884	1,899	1,916	1,932	
Insurance	8,100	8,100	8,100	8,100	8,100	
<b>TOTAL Paraprofessional</b>	<b>33,700</b>	<b>33,922</b>	<b>34,137</b>	<b>34,364</b>	<b>34,584</b>	
<b>TOTAL SALARIES</b>						<b>494,575</b>

**Total Project Cost: \$744,575**

B. Other Project Funding Sources:

**Total Other Funding \$494,575 (salaries contributed by GCSB)**

**Total Amount Requested: \$250,000**

**Letter of Support**

Gulf County Board of County Commissioners