



Agenda Packet

Tuesday, January 19, 2016

10:00 a.m. to 12:00 p.m.

**State Building & Construction
Trades Council of California
1231 I Street, Suite 302
Sacramento, CA 95814
(916) 443-3302**

**Governor
Edmund G. Brown, Jr.**

**Chair
Michael Rossi**

**Executive Director
Tim Rainey**



**CALIFORNIA WORKFORCE DEVELOPMENT BOARD
MEETING NOTICE**



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Tim Rainey
Executive Director

Michael Rossi
Chair

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Edmund G. Brown, Jr.
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AGENDA

1. Welcome and Opening Remarks

2. Public Comment

3. Action Items

- a) Approve the Meeting Summary of June 23, 2015
- b) Approve California's Unified Strategic Workforce Development Plan
- c) Approve Eligible Training Providers' Performance Measure

4. Updates and Presentations

- a) City of San Bernardino Initial Designation
- b) Presentation by Inland Empire and San Diego/Imperial Slingshot Coalitions
- c) Presentation on Prop 39 Pre-Apprenticeship Training Programs – Los Angeles and Central Valley

5. Other Business

Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn. In order for the State Board to provide an opportunity for interested parties to speak at the public meetings, public comment may be limited. Written comments provided to the Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply. Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 657-1440 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.cwdb.ca.gov> or contact Daniel Patterson (916) 657-1446 for additional information. Meeting materials for the public will be available at the meeting location.

Item 1. Welcome and Opening Remarks

Item 2. Public Comment

Item 3. Action Items

- a. Approve the June 23, 2015, Meeting Summary**
- b. Approve the WIOA Strategic Workforce Development Plan (State Plan)**
- c. Approve the Changes to the Eligible Training Provider List Performance Criteria**

**CALIFORNIA WORKFORCE INVESTMENT BOARD
FULL BOARD MEETING
June 23, 2015
STATE BUILDING & CONSTRUCTION TRADES COUNCIL
SACRAMENTO CA**

1. Welcome and Opening Remarks

With a quorum of 29 members present, Chair Mike Rossi convened the meeting at 10:15 a.m.

Members in Attendance:

Robert Beitcher	John Brauer
Kenneth Burt	Jerome Butkiewicz
Bill Camp	Jamil Dada
Jim Suennen for Diana Dooley	Imran Farooq
Lawrence Frank	Chris Hill
Patrick Henning, Jr.	Ro Khanna
Brian McMahon for David Lanier	Laura Long
Stephen Monteros	Hanna Snider for Assembly member Mullen
Kimberly Parker	Henry R. Perea
Diana Ravnik	Bob Redlo
Mike Rossi, Chair	Assembly member Rudy Salas
Alma Salazar	Jeremy Smith
Annette Smith-Dohring	Abby Snay
Bruce Stenslie	Floyd Trammell
Joseph Williams	

2. Public Comment

The following provided comment on the process and alignment of local areas into regional planning units (Item 3b).

Alexandra Stillman, private sector business member of Humboldt WIB expressed her support of regional planning and Humboldt being included in the North Bay Region.

Jacqueline Debets, Humboldt WIB director spoke of Humboldt's geographic isolation and that regional planning is the way to address this and other barriers. Humboldt can't expand its nursing workforce training programs without partnering with Sonoma State University and the only way to do commerce is via US 101 to the North Bay area.

Patricia Barrago - Marin County Human Services manager thanked the State Board for working with Marin on its performance and are committed to working with the State Board and Employment Development Department (EDD) to keep on track with their performance.

Deborah Holmes - Mendocino County WIB Executive Director. Has submitted formal comments to the directive which provided data which indicated most of their residents commute to the South for work in the North Bay Region. She requests alignment with 5 local workforce development areas comprising the North Bay region.

Robert Bloom, Solano County Workforce Development Board Executive Director expressed the preference of the 5 local boards in the current North Bay group would like to remain part of that group. The 6-county area has a \$15 million career pathways grant and other grants as well as SlingShot and believes they have set their future for regional work. He felt Humboldt was a better fit with NorTEC and reiterated continuing the 5 local area/6-county arrangement.

3. Action Items

a. Approval of the Meeting Minutes from January 20, 2015

A motion to approve the summary was offered by Bill Camp and seconded by Jamil Dada. The Board voted unanimously to approve the item.

b. Approve the Designation of Local Workforce Development Areas

Executive Director Tim Rainey provided an overview of the WIOA requirements for the Governor to designate local workforce development areas and the process leading up to this action. Bill Camp motioned to adopt the action item. Jeremy Smith seconded. Joseph Williams provided comments on behalf of the residents of City of San Bernardino. Mr. Williams asked for assurance that the County will minimize the impact to the City and its staff. ED Rainey stated we will work with the City and the County and has already spoken with the Mayor of the City on this issue. Patrick Henning stated the County has a one stop within 3 miles from the City's local board and within the City boundary. Jamil Dada stated that once implemented, it will be a win-win for the City as more resources will be available for the citizens. Motion unanimously approved.

4. Updates & Discussion

a) Review of Methodology and Proposed Boundaries for WIOA Regional Planning Units

Dan Rounds, Deputy Director of the State Board's Policy, Performance and Legislation Unit provided the briefing on this item. Materials were included in the agenda packet.

There were a couple of questions by members regarding boundaries and the public comment received today: (1) alignment of other partner programs (2) decisions consider availability of transportation systems and the economic impact on clients that need to use them, (3) Timeline for decision. Dan Rounds responded by stating that the

Community College districts are closely aligned, the WIOA does not allow the Governor to partition a local area or require them to plan in more than one regional area and the final determination will occur mid-summer. We continue to have discussions with local officials to resolve concerns. The analysis relied on economic data and conversations with the local directors and in some local areas it is up to the local officials to discuss partnerships with other local boards in a region.

Mr. Rounds briefed on the progress of the WIOA Committees (Item 4c) and the bi-lateral conversations occurring between the State Board and its partner agencies. Mike Rossi stated that we should all have a common interest, regardless of our governing laws: clients get access to quality training to allow them to get good jobs and economic mobility. Dan Round reiterated that our state strategy is being built on demand driven skills attainment, upward mobility and career enhancements.

b) SlingShot Implementation

Amy Wallace provided a briefing of the materials included in the agenda packet. Bill Camp commented on the Capitol region grant and the lack of organized labor involved in these projects. He said the registered apprenticeships are the model for training and career pathways and would like to see labor represented in these projects. Laura Long commented that at a recent White House summit the discussion was on identifying common skill sets that cut across industries in a region. Amy concurred and emphasized the importance of the employers being part of this solution.

5. Other Business

Alma Salazar asked if the comments to the Notice of Proposed Rule Making are available for public review. They will be posted to the State Board's website and a note sent to board members.

Meeting was adjourned at 11:58 a.m.

Action Requested

Approve the draft Four-Year WIOA Strategic Workforce Development Plan (State Plan)—“*Skills Attainment for Upward Mobility; Aligned Services for Shared Prosperity*”

Background:

On July 22, 2014 President Obama signed the Workforce Innovation and Opportunity Act into law. WIOA replaced the Workforce Investment Act of 1998 and is the fifth iteration of the nation’s federal job training law passed by Congress since 1962.

This WIOA Strategic Workforce Development Plan serves as the architecture for the development of public policy, fiscal investment, and operation of all state labor exchange, workforce education, training programs, and employment services. It builds on the foundation of the new law with objectives and strategies articulated by Secretary Lanier's and Chairman Rossi's longer term vision of impacting inter-generational income mobility, regional economic prosperity, and industry competitiveness.

The State Plan should be read as a broad conceptual framework, a roadmap, for building regional and local partnerships. Its purpose is to enable regional and local flexibility and to build regional sector-based workforce policies customized to regional labor market needs. The intent of the framework is that regional leadership, coordinated by local workforce boards, will work collaboratively to align largely fragmented local programs and services within regionally-defined vision, goals, and strategies. In other words, education, training, and employment services should be delivered locally, closest to those most in need of services, but also need to be aligned for scale and impact so that those receiving services are connected directly to employment opportunities in sectors that are driving regional employment.

The primary “stretch” goal is one million “middle-skill” industry-valued and recognized postsecondary credentials over the next 10 years. A related goal is to double the number of graduates of state-approved apprenticeship programs over the same period.

What is a middle-skill postsecondary credential? It’s a credential with demonstrable labor market value that requires more than a high school education but less than a Bachelor’s degree. This goal is aligned with Community College Board of Governor’s Workforce Task Force goal. However the State Plan is interested in *quality* as much as quantity. Credentials have demonstrable labor market value only when there is a market—when multiple employers within a target sector recognize that a credential, or series of “stacked” credentials, embodies the skills those employers want to buy.

Regional and local plans, based on the State Plan framework, will be due to the State Workforce Board on March 15, 2017. The coming year will be a year of implementation and will be used to build regional leadership and develop regional coordination efforts that will be "recorded" in the regional and local plans as shared vision, goals, strategies, and concrete commitments.

Foreshadowing the new law, this work had already begun with discretionary and other investments—facilitating and supporting new ways of working to achieve alignment and scale through regional leadership (SlingShot) and local program innovation and alignment (Workforce Accelerator Fund).

Process: The State Plan is due to the U.S. Department of Labor on March 3, 2016.

The State Plan was developed by the WIOA Implementation Workgroup established by the State Workforce Board in September 2014. Co-chaired by Van Ton-Quinlivan and Jamil Dada, the WIOA Workgroup met five times, and appointed partner staff to participate in several additional subgroups, including: “Mapping the Field” to develop common program goals; Data Sharing, Performance, and Common Metrics; State, Regional, and Local Service Delivery; and the development of fourteen “Regional Planning Units” based on labor-market information, industry-sectors, commute patterns, and other factors. The Workgroup included the directors and executive staff of the core state partners—Employment Development Department, Employment Training Panel, Division of Apprenticeship Standards, Department of Education, Community Colleges Chancellor’s Office, Department of Social Services, Department of Rehabilitation, and the State Board of Education. The group also included labor, community, and state and local workforce board representation.

On December 3, 2015 the State Plan was posted for public comment; comment closes January 15, 2016. State Board staff, in partnership with local workforce boards and the California Workforce Association, conducted a six-event regional “WIOA Roadshow.” The local workforce boards and WIOA Workgroup members ensured strong and diverse turnout at each event. The intent of the briefings was to achieve buy-in across the state for the common vision and framework represented in the State Plan and adopted by each of the State’s core partners on the Workgroup. The other goal was to start to build momentum for regional alignment and leadership for the development and implementation of regional and local plans. Over 600 people participated in the Roadshow events, representing workforce boards, community colleges, local schools, businesses, labor, and community organizations.

State Board staff also provided briefings in Sacramento for senior EDD managers, the Department of Finance, the State Board of Education Chairman, and senior legislative staff. The Executive Committee approved the Plan with the recommendation that it be forwarded to the full State Board for consideration.

Action:

We are asking that the full State Board approve the current draft of the Plan.

Next steps:

Substantive changes resulting from State Board member input or public input will be provided to the State Board prior to plan submittal to the U.S. Department of Labor on March 3, 2016.

Regional and local planning guidance is in development now and will be rolled out in the spring.

Action Requested:

Approve the changes to the Eligible Training Provider List performance criteria.

Background:

Section 122 of the Workforce Investment Act and the new Workforce Innovation and Opportunity Act (WIOA) requires the Governor to establish a list of eligible training providers (ETPL) to deliver training services to eligible adults and dislocated workers. In August 2013, the State Board approved a policy to establish statewide performance standards for eligible training providers. The policy required that:

- All listed programs (including community colleges, private post-secondary, and Division of Apprenticeship Standards (DAS) registered apprenticeship) be reviewed annually and meet a 70% placement rate for all eligible graduates in that program;
- Training must be for occupations in priority sectors identified in the State plan and/or local area plans; and
- Training must result in completion/receipt of an industry recognized credential, certificate, or degree, including all industry appropriate licensing and/or certification requirements.

In September 2013, the ETPL Policy Directive was published, and State Board and Employment Development Department (EDD) staff began working with the Bureau of Private Post-Secondary Education (BPPE), Training Providers and Local Workforce Investment Boards (Local Boards) to review performance, determine eligibility, and remove from the ETPL those training programs that did not meet the required performance measures.

Policy Criteria:

During implementation of the ETPL policy, several issues were identified that inhibited full implementation, including

- Calculations for employment placement rate and completion/credential rates are mandated by state statute and regulation, are significantly different for different types of training providers, and/or are unavailable for some training providers
- Separate data systems are used to collect and report outcome data,
- Outcome data is self-reported by training providers, and
- Statewide reporting tools for public education are newly implemented.
- WIOA requires priority of service for individuals with barriers to employment

To address these issues and to revise the policy to comply with WIOA requirements, the State Board staff formed a workgroup of representatives from EDD, BPPE, Local Boards, and training providers to develop a recommendation for ETPL program performance standards.

The workgroup recommendation is to revise the ETPL Performance Measures as follows:

Phase 1- Evaluate performance for WIOA funded participants:

- Require all programs listed on the ETPL be in in-demand industry sectors identified in WIOA regional plans, local plans, and/or the State Strategic Workforce Development Plan;
- Align ETPL performance standards with the state-level performance measure goals negotiated for the California Title 1 Adult program for all WIOA-funded participants (adjusted annually EER Performance Measures for last five years is attached);

Performance Goals (Transition Year)	Adult
Employment Rate	64.2%
Retention Rate	82%
Average Earnings (6 months)	\$14,573

- Require that all programs listed on the ETPL have a student loan default rate of less than 30%;

Phase II – Evaluate performance for all students

- Collect baseline outcome information on degree, certificate and credential attainment from private and public post-secondary educational institutions and develop a Credential Attainment Rate Performance Measure for all students enrolled in Career Technical Education programs in California by September 30, 2016.
 - Evaluate performance for all students enrolled in private postsecondary training programs listed on the ETPL, using the Bureau of Private Post-Secondary Education (BPPE) Annual Report;
 - Evaluate performance for all students enrolled in Community College Programs and Adult Education programs listed on the ETPL using CalPASS+; and
 - Identify the registered apprenticeship programs to be listed on the ETPL through an annual review by the Division of Apprenticeship Standards.

Next Steps:

On January 5, 2016, the Executive Committee approved the recommendation for action by the State Board.

Recommendation:

Approve the changes to the policy and issue new guidance to the local workforce boards.

Entered Employment Rate Performance Measures
Program Year 2011-12 to 2015-16

California (Statewide) WIA Title I Adult Funding Negotiated Performance Levels			
Program Year	Entered Employment Rate	Entered Retention Rate	Average Earnings (6 mos.)
2015-16	64.2%	82.0%	\$14,573
2014-15	64.2%	82.0%	\$14,573
2013-14	63.4%	83.0%	\$14,200
2012-13	59.0%	81.0%	\$13,700
2011-12	56.4%	81.0%	\$13,000

Item 4. Updates and Presentations

- a. **City of San Bernardino Initial Designation**
- b. **Presentation by Inland Empire and San Diego/Imperial Slingshot Coalitions**
- c. **Presentation on Prop 39 Pre-Apprenticeship Training Programs – Los Angeles and Central Valley**

Item 5. Other Business

Update

Based on recommendation of hearing officer, Secretary and Chair determine that the City of San Bernardino shall receive “conditional” initial local area designation

Background:

The Workforce Innovation & Opportunity Act (WIOA) required the Governor to initially designate local workforce development areas for a 2-year period (July 1, 2015 through June 30, 2017).

On February 20, 2015, the California Workforce Development Board (State Board) and the Employment Development Department (EDD) published policies and procedures ([Directive WSD14-10](#)) for existing local workforce development areas to request initial designation. The directive contained specific federal requirements necessary for a workforce area to qualify for initial designation, including:

- Was designated as a local area under WIA
- Performed successfully
- Sustained fiscal integrity

All of the existing 48 local areas applied for initial designation under WIOA. State Board and EDD staff recommended that 46 receive full initial designation, 1 receive conditional designation (Marin Co.), and that 1 be denied designation (City of San Bernardino). The Executive Committee approved the recommendations on June 1, 2015, and the full State Board approved the recommendations on June 23, 2015.

In a letter dated May 15, 2015, the Mayor of the City of San Bernardino was informed that the City did not meet the criteria for sustained fiscal integrity and therefore would not be recommended for initial designation. Specifically, the City’s single audit for State fiscal year 2011-12, due on March 31, 2013, was not submitted until June 2014. The single audit for FY 2012-13, due March 31, 2014, had still not been received.

As a result, the EDD placed the City of San Bernardino on cash hold in October 2014. As of this update the City of San Bernardino continues to be on cash hold

The Secretary of the Labor & Workforce Development Agency, acting on behalf of the Governor, affirmed the State Board’s recommendations. The State Board formally notified the Mayor of the City of San Bernardino of the decision of denial in a letter postmarked July 17, 2015.

City Appeal and Appeal Process:

In compliance with Directive WSD14-10, the City of San Bernardino filed an appeal. The appeal materials were received by the State Board on August 10, 2015.

At its September 1, 2015 meeting, the Executive Committee of the State Board approved an appeal process which included an independent Hearing Officer who would ensure due process and render an opinion to the Secretary of the Labor & Workforce Development Agency and State Board Chair for a final decision. The Executive Committee also delegated authority to the Labor Secretary and the Chair to make a final determination regarding the appeal.

Outcome of the Appeal Process:

The hearing officer completed the discovery process and concluded that **for the purpose of WIOA initial designation, the State did not have the authority to determine, without a PRIOR determination by the U.S. Secretary of Labor, that the City did not sustain fiscal integrity.** The language in WIOA [Sec. 106 (e)(2)] which defines "sustained fiscal integrity" requires a formal determination by the U.S. Secretary of Labor in the 2 years preceding a State's determination.

Secretary David Lanier and Chairman Mike Rossi accepted the recommendation of the hearing officer. Secretary Lanier, in a letter dated November 17, 2015, directed the State Board Executive Director to grant the City conditional initial designation, provided the City continues to perform successfully and there has been no determination by the U.S. Secretary of Labor that the City mis-expended funds.

The cash hold remains in place. As the Secretary's letter states, "The submission of audits pursuant to the Single Audit Act is a critical aspect of a local area's compliance with both federal and state requirements, and its importance cannot be overstated. Without the audits and required documentation, it is simply impossible to determine whether the City has complied with the requirements of its grants."



STATE OF CALIFORNIA
Labor & Workforce Development Agency

GOVERNOR Edmund G. Brown Jr. • SECRETARY David Lanier

Agricultural Labor Relations Board • California Unemployment Insurance Appeals Board
California Workforce Investment Board • Department of Industrial Relations
Employment Development Department • Employment Training Panel • Public Employment Relations Board

November 17, 2015

Tim Rainey, Executive Director
California Workforce Development Board
800 Capitol Mall, Suite 1022
Sacramento, CA 95814

Dear Director Rainey:

I have considered the Workforce Development Board's recommendation regarding the City of San Bernardino's appeal of its denied request for initial designation under the Workforce Innovation and Opportunity Act. After careful review, I have decided to accept the recommendation. Additionally, on behalf of the Governor, I am directing that the city be granted *conditional* initial designation, provided that the city has performed successfully during the relevant time period and there has been no determination to date by the U.S. Secretary of Labor that the city has mis-expended funds. This conditional designation is subject to future revocation following completion, submission and review of the city's long overdue audits.

I also emphasize that, as the decision on appeal suggested, this designation does not alter the cash hold that the State was compelled to put in place as a result of the City of San Bernardino's failure to comply with fundamental administrative requirements. The submission of audits pursuant to the Single Audit Act is a critical aspect of a local area's compliance with both federal and state requirements, and its importance cannot be overstated. Without the audits and required documentation, it is simply impossible to determine whether the city has complied with the requirements of its grants. This puts both the City of San Bernardino and the State at risk for federal sanctions including the repayment of grant funds already expended, and even the termination of further federal assistance. This is an unacceptable risk.



I am therefore requesting the State Workforce Development Board take appropriate additional measures to ensure that the City of San Bernardino submits its outstanding audits and complies with all other associated requirements. Should the city continue to fail to perform its essential obligations, the state is prepared to promptly take further actions necessary to protect the integrity of public funds, including but not limited to, commencing actions against the city for repayment of previously awarded grants for non-compliant expenditures (such as those for which compliance cannot be verified due to the lack of appropriate documentation), decertifying the local board, and imposing a reorganization plan that would de-designate the City of San Bernardino as a local workforce development area and merge it into another appropriate local area.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lanier', with a horizontal line extending from the end of the signature.

David M. Lanier, Secretary

cc: Mike Rossi, Chair, California Workforce Development Board
Patrick Henning, Director, Employment Development Department