



Agenda Packet

Wednesday, September 28, 2016

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

**Sutter Health
2700 Gateway Oaks Drive
Sacramento, CA 95833**

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

**Chair
Michael Rossi**

**Executive Director
Tim Rainey**

CALIFORNIA WORKFORCE DEVELOPMENT BOARD



MEETING NOTICE

**Wednesday, September 28, 2016
10:00 a.m. to 12:00 p.m.**

Tim Rainey
Executive Director

Michael Rossi
Chair

**Sutter Health
2700 Gateway Oaks Drive
Sacramento, CA 95833**



Edmund G. Brown, Jr.
Governor

AGENDA

- 1. Welcome and Opening Remarks**
- 2. Public Comment**
- 3. Action Items**
 - a. Approve Meeting Summary of June 29, 2016
- 4. Presentation**
 - a. The Changes in the California Economy
- 5. Updates and Discussion**
 - a. Revision of Bylaws (*page 8*)
 - b. Local and Regional Planning Guidance (*page 17*)
 - c. Recertification of Local Boards (*page 50*)
 - d. MOU and Cost Sharing Policy and Guidance (*page 53*)
 - e. WIOA Performance Measures Negotiations (*page 71*)
 - f. WIOA Employer Measures (*page 75*)
- 6. 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 Development Board staff at (916) 657-1440 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Development 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 Meeting Summary of June 29, 2016

**CALIFORNIA WORKFORCE DEVELOPMENT BOARD
FULL BOARD MEETING
HOLIDAY INN SACRAMENTO – CAPITOL PLAZA
SACRAMENTO CA**

1. Welcome and Opening Remarks

Tim opened the meeting, welcomed the members, and reviewed the agenda. A quorum of the membership was present.

Members in Attendance:

John Brauer
Hermelinda Sapien
Diane Factor
Imran Farooq
Chris Hill
Alma Salazar
Bob Redlo
Alma Salazar
Bruce Stenslie
Abby Snay
Van Ton-Quinlivan
Pamela Kan
Kenneth Burt

Jamil Dada
John Brauer
Mike Gallo
Patrick Henning, Jr.
Andre Schoorl
Mike Rossi, Chair
Hermelinda Sapien
Catherine O'Bryant
Joseph Williams
Stephen Monteros
Laura Long
Nathan Nayman

2. Public Comment

Eddie Ahn, Exec Director – Brightline Defense Project

Mr. Ahn spoke on three points from the State Plan

- Increased emphasis on job training and job placement strategies to get people on a path to a career.
- Good jobs – those with good wages and benefits.
- Industry Engagement – very important to serve both employers and workers and putting them on the path of upward mobility, pre-apprenticeship/apprenticeship and links with organized labor. He referenced the example of City Build which has direct hiring agreements of their program completers.

3. Action Items

- a) **Approve the Meeting Minutes from April 14, 2016**

A motion to approve the summary was offered and seconded by John Brauer. Mr. Rainey asked that the minutes be changed to reflect Laura Long as in attendance. The item was unanimously approved.

b) Local Area Modification Request: Napa/Lake/Marin

Mr. Rainey briefed this item. The complete write-up is included in the agenda packet. Mr. Dada offered a motion to approve, seconded by Mr. Rossi. The item was unanimously approved.

c) Local Board Recertification

Mr. Rainey briefed this item. The complete write-up is in the agenda packet. The local board for the newly formed Napa/Lake/Marin will receive a conditional recertification until the fully executed local area modification package is received and approved by Secretary Lanier on behalf of the Governor. The City of San Bernardino will be merged into the County of San Bernardino to form a new local area. EDD is working with both parties during the transition. Mr. Gallo provided a motion to approve, seconded by Mr. Dada. The following questions were asked and responded to:

- Mr. Williams asked how the delivery of WIOA services to the City's residents will continue under this scenario and what are the effects on funding?

Mr. Henning: This is part of the ongoing negotiations between the Employment Development Department; the City; and County. The County has been operating an AJCC in the City's boundaries for some time and is currently providing those services to the City's residents. He also provided some background on how this issue developed over time and the efforts of all parties involved.

- A member asked about the time frame for completing the negotiations.

Mr. Henning: This is an ongoing negotiation, there are many concerns: finances of the City, outstanding audits that need to be completed, and determining the amount of WIOA reimbursement owed to the City while they have been on cash-hold from the State but still trying to provide WIOA services. The State is working as fast as possible to bring this effort to a quick and effective solution. We have also communicated with elected members from the area who are supportive of the actions the State is taking.

- Mr. Dada spoke in favor of the action and that he expected the City's resident to get better service under the new configuration.
- A member asked about the time frame for local boards that will not be recertified by July 1, 2016.

Mr. Rainey: staff will work with local directors to gain the appointments necessary to enable the granting of the full 2-year certification. Updates will be provided at the next board meeting.

There were no more questions. The item was unanimously approved.

d) Credential Policy Framework

Mr. Rainey briefed this item. The complete description is included in the agenda. The Framework will initially be vetted through Bay Area Council and then other statewide industry groups. Also seeking input from board members on how we might implement the Framework. It will be included in the regional planning guidance as well as incorporated into other major initiatives like the Slingshot. A key element of the planning is the alignment of the local boards and the community college system to identify credentials that are valued by industry and where they do not exist, to develop them in concert with sector representatives. Some minor corrections to the Framework were made: Page 1. Change May 2016 to June 2016. Page 3 under “ideal Characteristics. Add to a job, educational “or career pathway.” The following points synthesize the discussion:

- Concern regarding the ability of the community colleges to create and approve curriculum to match the needs of employers in the region and the level of engagement of the local boards in this activity.
- The framework could be strengthened by addressing credentials that will yield a quality job but may not be in an identified sector.
- The document assists and clarifies the local and regional planning requirements, alignment of the system around investment in targeted industry sectors that ultimately benefit the community.
- Credentialing agencies already require providers to report training related placement by course completers, are we adding new reporting burdens.
- Mr. Rossi said that the policy mandates the alignment of curriculum with industry and not reported as a safeguard for consumers. Instead, the credential is something that is value by employers.
- This framework is to clarify for system partners what is meant by the term “credential” in light of the State Plan goal of 1,000,000 industry recognized credentials by 2027.
- The need to have real time information about job placement rather than the lag in reporting that we currently experience.
- The need for credible data and not rely on self-reported data. The Chancellor’s Office efforts to work with EDD to access the base wage file on a quarterly access rather than

annually, and also with Department of Consumer Affairs to obtain information for state issued licenses earned by program completers.

- Several members spoke in favor of the document and its use to view external results achieved by the clients being awarded credentials by training providers and whether or not they are actually demand driven/industry valued credentials.
- A member volunteered to vet the document with the private sector and suggested a communications plan be developed on how the private sector becomes informed/aware of this state framework, to facilitate greater employer/private sector.

A motion was made by Mike Gallo to approve the document and seconded by a member (inaudible).

Mr. Rossi voiced his support for the efforts of the Board over the last several years and that it demonstrates a substantial shift in the way the Board has been operating in the past. Work, such as this framework, as well as the Slingshot initiatives represent significant engagement with employers to change the way this system works.

4. Updates & Discussion

a. State Plan / Local and Regional Planning Guidance

Mr. Rainey briefed this item.

- The State Plan is the controlling policy document and sets the way forward for all the State's workforce investment, not just WIOA funds.
- The local plan is how the program is accessed by local clients. The Regional Plan ties the local efforts to a larger regional engagement with employers, developing regional sector pathways within the regional economy that result in good jobs.
- Accelerator Grants and Slingshot coalitions build regional leadership to solve problems in the region. The WAF are working on program initiatives to try new things to infuse the kinds of innovations needed to connect people to good jobs, resulting in inter-generational income mobility.

Mr. Rounds provided an update on the status of the State Plan

- It is informally approved and we are awaiting written confirmation from the Department of Labor.
- There were some minor changes requested from DOL, which did not change the basic structure or strategies already described in the State Plan.
- Local and Regional Planning guidance is in internal review with partners. Hope to have the initial guidance posted early July for the 30-day public comment.

The following items were asked and responded to during the discussion:

- Concern regarding the practical differences between developing strategies and plans versus the constraints with the various funding streams. For example, the definition of working poor and its application in service delivery strategies.
- The planning guidance might include not only what is required, but include some guidance, resources or strategies on how local partners might work together. Some partners have done joint planning and this would represent new territory for them.

The staff at the State Board are conducting research to identify practices that have been proven to be successful and leverage some of the existing expertise in California. Technical assistance and guidance will also be provided to help remove some of the misunderstandings and barriers on the use of funding within WIOA.

b. Community Colleges Strong Workforce Program

Ms. Quinlivan provided an update on this item.

- How the funds are to be distributed
- The focus on career technical education
- Achieving better outcomes that are to be aligned with WIOA metrics.

c. Ad Hoc Committee – Data Collection and Reporting for WIOA Title I

Mr. Rainey and Mr. Henning briefed this item.

- The Committee was formed following a request from a local director to clarify the data collection system requirements for WIOA case management and financial reporting.
- Currently, 11 local boards use a 3rd party system that is uploaded to the state's CalJOBS system. The balance of local boards are already using CalJOBS.
- There is a need for efficiency and cost savings versus to have flexibility to customize reports locally and still upload into the state system.
- EDD spends millions a year in maintaining the CalJOBS system for consistency in state and federal reporting requirements.
- The goal is ensure the system is flexible enough to be responsive to local needs, while also allowing the locals are using the limited WIOA resources to provide services rather than purchasing the use of 3rd party data systems.

5. Other Business

There was no other business. Mr. Gallo made a motion to adjourn, second by Mr. Dada. The meeting was adjourned.

Item 4. Presentation – *The Changes in California’s Economy*

Item 5. Updates and Discussion

- a. Revision of Bylaws
- b. Local and Regional Planning Guidance
- c. Recertification of Local Boards
- d. MOU and Cost Sharing Policy and Guidance
- e. WIOA Performance Measures Negotiations
- f. WIOA Employer Measures

Item 6: Other Business

Item 5. Updates and Discussion

- a. Revision of Bylaws

**CALIFORNIA WORKFORCE INVESTMENT BOARD
BYLAWS**

ARTICLE I: NAME

Public Law 113-128, the Workforce Innovation and Opportunity Act (WIOA) of 2014 requires that each state establish a state workforce development board to carry out certain responsibilities related to the state's workforce investment system. The California Workforce Development Board, hereinafter referred to as the State Board, was established through Executive Order (D-9-99) and formalized through the enactment of state statutes in 2006.

ARTICLE II: PURPOSE

The State Board is the body responsible for assisting the Governor in the development, oversight and continuous improvement of California's workforce investment system and the alignment of the education and workforce investment systems to meet the needs of the 21st century economy and workforce.

ARTICLE III: GOVERNANCE

The State Board shall reside within the California Labor and Workforce Development Agency and shall report through its Executive Director to the Secretary of the Labor and Workforce Development Agency.

ARTICLE IV: STATE BOARD MEMBERSHIP

Section I – Appointments

The members of the State Board are appointed by the Governor in conformity with Section 14012 of the California Unemployment Insurance Code. In addition, the Senate President Pro Tem shall appoint two legislative members, and the Speaker of the Assembly shall appoint two legislative members. The Governor may add additional members to those required by the California Unemployment Insurance Code.

Section 2 – Composition

A majority of the members of the State Board shall be private sector representatives. At least 15 percent of the membership shall be representatives from organized labor. The Chair of the State Board shall be selected by the Governor from among the private sector representatives.

Section 3 – Designees

Section 7.5 in the General Provisions of the California Government Code allows a Director of a State Department or a Secretary of a State Agency, either of whom is appointed as a member of a State body, to designate a deputy director of that Department or Agency, exempt from State civil service, to act in the Director's or Secretary's place. Each Department Director or Agency Secretary may have a designee, however only one designee may vote on behalf of the Department or Agency at any one meeting. If more than one designee is present for a meeting, the Chair will select which designee can participate in voting for that meeting. State Department Directors and Agency Secretaries must notify the Chair in writing of the names and titles of their designees prior to the designees' participation on the State Board.

Section 7.6 in the General Provisions of the California Government Code allows a Constitutional Officer to appoint a designee. A designee for a Constitutional Officer must be a deputy who is exempt from State civil service. Section 7.6 also allows a member of the California Legislature to name a designee. In addition, the California

Constitution Article 9, Section 2.1, requires that the State Superintendent of Public Instruction designee be an individual from one of the following offices which are exempt from State civil service: the Deputy Superintendent of Public Instruction, or one of the three Associate Superintendents of Public Instruction. The Constitutional Officers must notify the Chair in writing of the names and titles of the designees prior to the designees' participation on the State Board.

Section 4 – Alternates and Proxies

Under no circumstances shall the State Board permit absentee or proxy voting at any of its proceedings.

Section 5 – Conflict of Interest

Members of the State Board are subject to a comprehensive body of state law governing conflict of interest. (*Government Code* §§ 81000-91014). Pursuant to State and federal law, the State Board has adopted and promulgated a Conflict of Interest Code. The State Board members, including designees, are required to file statements of economic interests with the State Board. The State Board staff will maintain copies on file and deliver the original statements of economic interests to the Fair Political Practices Commission. The statements of economic interests are governed by State law and include the specific kinds of financial information members of the State Board must disclose. Upon appointment, Board members are required to file an "Assuming Office" statement within 30 days of their appointment. Thereafter, Board members are required to file annual statements. Board members are also required to file "Leaving Office" statements upon vacating their position.

Section 6 – Resignation

A member may resign from the State Board by sending a written notice, which includes the effective date of resignation, to the Governor. The member must also send copies of that written notice to the Chair and the Executive Director.

Section 7 – Removal

The Governor has sole authority to appoint and to remove members of the State Board. The Chair, on behalf of the Executive Committee, may request the written resignation of any State Board member who fails, without good cause, to attend three consecutive State Board meetings or who otherwise demonstrates an inability or unwillingness to actively participate in the meetings, discussions, activities, and decisions of the State Board. In the event that such a member fails to submit a written resignation, the Chair, on behalf of the Executive Committee, may forward a written recommendation for removal to the Governor.

ARTICLE V: OFFICERS

The State Board shall have two officers: the State Board Chair (Chair) and the State Board Vice-Chair (Vice-Chair). The Chair shall be a member of the private sector appointed by the Governor and shall serve at the pleasure of the Governor.

The Chair shall call and preside at all State Board meetings and perform other duties as required by the State Board. The Vice-Chair shall act as Chair in the Chair’s absence and perform other duties as required.

ARTICLE VI: COMMITTEES

Section 1 – Committee Structure

The State Board will operate with a committee structure comprised of standing committees, special committees, and ad hoc committees:

Standing Committees – are constituted to perform continuing functions and are permanent committees of the State Board. A standing committee is comprised of State Board members for purposes of voting. A standing committee shall have a minimum of five members in addition to the chair and the vice chair of the committee. A standing committee is established or discontinued through an amendment to these bylaws. With the exception of the Executive Committee, the Chair shall designate the chair, vice-chair, and members of a standing committee annually, subject to ratification by the full State Board.

The committee chair shall be the presiding officer at all committee meetings. The committee vice-chair shall assume the duties of the committee chair in the committee chair's absence.

Special Committees – are assigned specific tasks and assignments by the State Board Chair. Membership may include State Board members and State and local partners, stakeholders, practitioners, and customers, all as voting members. Unless otherwise specified in the description of the committees adopted as part of these bylaws, the State Board Chair shall designate the chair, vice-chair, and members of each special committee, subject to ratification by the Executive Committee.

The committee chair shall be the presiding officer at all committee meetings. The committee vice-chair shall assume the duties of the committee chair in the committee chair's absence.

Ad Hoc Committees – are informal workgroups, task forces, councils and other formal sub-groups comprised of State Board members, and/or State Board staff, and/or State

and local partner, stakeholder, and practitioner staff. Ad hoc committees may be established by the Chair, the Executive Director, or special committee chairs, and are not subject to ratification by the full State Board nor the Executive Committee.

Ad hoc committees are time-limited and task oriented and are formed to develop work products for the State Board. Each Ad hoc committee shall remain in existence only as long as necessary to fully address the task with which it is charged.

Section 2 – Standing Committees

There shall be two standing committees of the State Board:

The Executive Committee – shall be chaired by the State Board Chair and shall consist of the Vice-Chair, the Secretary of the Labor and Workforce Development Agency (or the Secretary’s designee), and the Executive Director of the State Board. The membership of the Executive Committee shall reflect the membership of the full State Board with a minimum of one third private sector, one third labor organizations and one third governmental entities. The State Board Chair shall have the discretion to appoint additional members to the Executive Committee as deemed appropriate.

The Executive Committee shall meet at the call of the Chair, as required by State Board meetings, issues, activities, and workflow. It shall provide recommendations to the full State Board regarding committee assignments; coordinate the work of standing, special, and ad hoc committees; develop agendas for State Board meetings; and shall be empowered to take action on behalf of the full State Board in instances where urgency and time constraints do not permit items to be acted upon by the full State Board. All such actions and commitments shall be reported to the full State Board at its next regularly scheduled meeting.

The Green Collar Jobs Council – shall be comprised of appropriate representatives from the State Board’s existing membership and meet at the call of the Chair. The Green Collar Jobs Council shall perform the duties and responsibilities specified in Sections 15002 - 15003 of the California Unemployment Insurance Code and shall report all actions to the full State Board at its next regularly scheduled meeting

ARTICLE VII: MEETINGS

Section 1 – Board Meetings

The State Board shall conduct at least one, full, public meeting each year. It is the goal of the State Board, however, to conduct full State Board meetings three to four times each year and in such locations as will facilitate the work of the State Board and the participation of the public. Regular attendance at meetings is expected of each Board member. The meetings will be open and accessible to the public and will be publicly announced.

The State Board and its Committees may utilize technologies to promote greater participation among its members. Such technologies may include, but not limited to teleconference, webinar, and/or other web-based meeting tools. All meeting locations shall be publicly noticed and accessible to the public in accordance with the Bagley-Keene Open Meeting Act.

Section 2 – Board Quorum

A quorum is defined as a majority of the members appointed to the State Board. If a quorum is not present at a State Board meeting, the State Board may not vote or take action, but members in attendance may continue to meet for the purpose of discussion, including taking public testimony on agenda items.

ARTICLE VIII: CLOSED MEETINGS

A closed session of the State Board may be called to discuss personnel issues, pending litigation, or any other matters appropriate for a closed meeting under Government Code Section 11126. The Chair may call for a closed meeting, or a closed meeting may be called by any member, with a majority vote.

ARTICLE IX: PARLIAMENTARY AUTHORITY

Robert's Rules of Order shall govern the State Board in all cases in which they are applicable and in which they are not inconsistent with these Bylaws, any special rules of order the Board may adopt, or any applicable State and federal laws and regulations.

ARTICLE X: CHANGES IN BYLAWS

These Bylaws may be amended or replaced and new Bylaws adopted by the approval of a majority vote by those members voting at a State Board meeting with a quorum present, provided that the amendment is not in conflict with any State and federal laws and regulations and had been noticed in writing to all State Board members 30 days in advance of any proposed action by the State Board.

Item 5. Updates and Discussion

b. Local and Regional Planning Guidance

REGIONAL AND LOCAL PLANNING GUIDANCE FOR PY 2017-2020

EXECUTIVE SUMMARY

This policy provides guidance and establishes the procedures regarding the preparation of both regional and local plans required by the *Workforce Innovation and Opportunity Act* (WIOA). This policy applies to Local Workforce Development Boards (Local Board), and is effective on date of issuance

This policy contains some state-imposed requirements. State-imposed requirements are indicated in the narrative of the text.

This directive finalizes Workforce Services Draft *Directive Regional and Local Planning Guidance for PY 2017-2020* (WSD-146), issued for comment on July 1, 2016. The Workforce Development Community provided various comments during the draft comment period. A summary of the comments, including all changes, is provided as Attachment 10.

This policy supersedes Workforce Services Directive WSD12-14, dated May 22, 2013. Retain this directive until further notice.

REFERENCES

- WIOA (Public Law 113-128) Sections 106 and 107
- Title 20 *Code of Federal Regulations* (CFR): Section 679.200 through 679.580
- *California Unemployment Insurance Code* (CUIC) Sections 14000 through 18012
- Department Of Labor (DOL) Training and Employment Guidance Letter 14-15, Subject: *WIOA Requirements for Unified and Combined State Plans* (March 4, 2016)
- California's Workforce Development Strategic Plan PY 2016-2019
- [WSD15-17](#), Subject: *California WIOA Regional Planning Units (RPU)* (February 24, 2016)
- [WSD15-14](#), Subject: *WIOA Adult Program Priority of Service* (January 22, 2016)
- [WSD15-12](#), Subject: *WIOA Phase I Memorandums of Understanding (MOU)* (January 20, 2016)
- [WSD-151](#), Subject: *WIOA Phase II Memorandums of Understanding* (September 16, 2016)

BACKGROUND

This directive is intended to serve as guidance for the preparation of both local and regional workforce plans required by the WIOA. It begins by providing background on the relationship between the State Plan, regional plans, and local plans, and gives an overview of the requirements for regional and local plans. The California Workforce Development Board (State Board) intends to provide additional guidance and technical assistance materials pertaining to model local and regional partnerships as well as best practices, both encouraged and recommended, to Local Boards and their partners as they move forward to develop and implement their plans.

The State Plan and Its Relationship to Regional and Local Plans

The State Plan is the controlling state policy document for regional and local plans. It sets the state's policy direction for these plans, and serves as a conceptual map for Local Boards and their partners as they jointly develop the regional and local plans required by WIOA. The State Plan has three policy objectives and an overarching stretch goal. The narrative content of regional and local plans should be tailored to address how Local Boards and their planning partners will help California reach its policy objectives and goals. The policy objectives of the State Plan are the following:

- *Fostering “demand-driven skills attainment”* – Workforce and education programs need to align program content with the state's industry sector needs so as to provide California's employers and businesses with the skilled workforce necessary to compete in the global economy.
- *Enabling upward mobility for all Californians, including populations with barriers to employment* – Workforce and education programs need to be accessible for all Californians and ensure that everyone has access to a marketable set of skills, and is able to access the level of education necessary to get a good job that ensures both long-term economic self-sufficiency and economic security.
- *Aligning, coordinating, and integrating programs and services* – Workforce and education programs need to economize limited resources to achieve scale and impact, while also providing the right services to customers, based on each customer's particular and potentially unique needs, including any needs for skills-development.

The goal of the State Plan is to produce a million “middle-skill” industry-valued and recognized post-secondary credentials between 2017 and 2027. These credentials are broadly defined here as sub-baccalaureate credentials with demonstrable labor market value, including industry-recognized certificates, or certifications, or certificates of completion of

apprenticeship, or professional licenses, recognized by California or the federal government, as well as industry-valued associate degrees that facilitate movement into either the labor market or longer term educational programs aligned with the state’s workforce needs. During this time the state will also double the number of people enrolled in apprenticeship programs.

Under the State Plan, state agencies and departments who are party to the State Plan are mandated to work jointly to ensure that relevant programs at the local level are carrying out the operational and policy commitments agreed upon during the planning process in furtherance of the foregoing objectives and goals. Local Boards and their partners should review Chapter 5 of the State Plan and the corresponding partnership agreements, which detail the commitments and responsibilities of the WIOA core programs as well as other State Plan program partners.

The State Board encourages and recommends broad and inclusive partnerships that include Community Based Organizations (CBOs) and non-profits. The State Board will grant considerable flexibility for Local Boards and their partners to determine the nature, scope, and depth of these partnerships based on local and regional needs and priorities, provided that plans are consistent with the policy direction and goals of the State Plan, and that the needs of target populations identified in WIOA Section 24(A)-(M) are addressed either by local or regional plans.

State Plan content can be found here: [California WIOA Unified State Plan](#).

The Function of Regional Plans

Regional plans and partnerships required by WIOA function under California’s State Plan as the primary mechanism for aligning educational and training provider services with regional industry sector needs in California’s fourteen WIOA Regional Planning Units (RPUs). California state law requires coordination between the K-12, Community Colleges, and WIOA systems and requires the use of sector strategies as the operational framework for the state’s workforce system. These two state mandated requirements are met under the State Plan by making federally required WIOA regional plans and partnerships the primary mechanism for aligning educational and training programs with regional industry sector needs. As such, the main aim of regional plans is the development of “regional sector pathway” programs, by which we mean the identification, utilization, and servicing of career pathway programs aligned with regional industry sector needs in each of the RPUs.

Regional Sector Pathways

The purpose of “regional sector pathways” is to ensure that demand industries in each region are having their workforce needs met while also ensuring that students, workers, and other individuals, including individuals from populations with barriers to employment, have the opportunity to develop the requisite skills in-demand in their respective regional labor markets, and that the proper remediation and other supportive services are available to ensure

participants can succeed. Regional sector pathway programs should ultimately result in the attainment of industry-recognized post-secondary credentials by those who complete these programs.

The State Board recognizes that completing “regional sector pathway” programs will take longer for some individuals (e.g., those with basic skills related challenges) than it will for others. Nevertheless, it is the intent of the State Plan that regional partners develop regional sector pathway programs in a manner that makes relevant training and education programs accessible for those who face barriers to employment, including individuals from target populations. As a result, regional partners will need to not only identify relevant regional sector pathways, but also partner to provide the services needed to ensure the successful completion of pathway programs by those who enter them. Local Boards and their partners should develop partnerships with relevant organizations and CBOs who specialize in providing services to target populations to help ensure that individuals from relevant target populations can participate in regional sector pathway programs, and that career pathway programmatic elements are in place to meet the needs of target populations. For example, including the Department of Rehabilitation (DOR) and Independent Living Centers in partnership efforts will help ensure the physical and programmatic accessibility of these programs for individuals with disabilities.

Regional Organizing and Planning Efforts

Regional sector pathways are expected to be identified and developed through regional planning and organizing efforts that involve industry sector leaders, organized labor, community colleges, K-12 programs, Adult Schools, Adult Education Block Grant (AEBG) Consortia, regionally organized Local Boards operating jointly in RPU, CBOs, business associations, and regional economic development agencies. Regional planning efforts may involve a broader group of partners and efforts should be inclusive, taking into consideration the characteristics, demographics, and nature of each region so as to ensure that relevant stakeholders have an opportunity to provide input to and feedback on the regional plan and the regional sector pathways emphasized by the regional plan. For example, in those areas of the state where limited English proficient and foreign born are a significant share of the population and/or workforce, efforts should be made to include CBOs representing and serving these communities in the planning process. Practices that should be considered when conducting the regional plan process include the following:

- Hold public meetings at multiple times and locations that allow a diverse range of individuals and organizations to attend, including evening and weekend meetings. This includes holding meetings at public facilities such as libraries, community centers, or neighborhood organizations recognized within the community.
- Ensure that interpreters are available when holding meetings in limited English proficient communities. Translate materials, including electronic communications and invitations, in other languages when appropriate.

- Use meeting locations within access to public transportation, and walking and biking routes.
- Partner with community leaders and organizations that can assist with outreach.

To reduce duplication of effort, regional organizing and planning efforts undertaken under WIOA are expected to be informed by, aligned with, and build upon other relevant regional planning efforts undertaken by planning partners. Existing regional planning by AEBGs and Community College consortia, and SlingShot coalitions, for example, could serve to inform WIOA planning efforts and coordination activities between the partners. Any regional planning efforts conducted prior to the passage of WIOA or issuance of state Regional and Local Planning guidance can serve as a foundation for WIOA regional planning to the extent that prior plans are relevant to and consistent with the intent and policy requirements of WIOA regional plans.

In addition, Local Boards and their required partners can economize their efforts by incorporating already completed planning work in their plans. Specifically, the task of identifying regional sector pathway programs should build upon any existing regional efforts in this area, especially those involving industry sector leaders and training and education providers, as long as the pathways identified have clear relationship to regional labor market needs and have been or will be validated by relevant industry sector employers as part of regional planning efforts. Pathways emphasized in regional plans are expected to have a clear labor market rationale for their inclusion in the regional plan.

Information pertaining to WIOA regional planning and its relationship to Strong Workforce Program regional planning efforts can be found [here](#).

The Function of Local Plans

Under the State Plan, the primary purpose of local workforce plans and partnerships is to facilitate access to workforce services at the local level. While WIOA Section 106 regional plans and partnerships are specifically focused on constructing a regional training and education architecture that aligns with regional labor markets, individuals will access and experience this regional workforce architecture primarily through local service delivery efforts, principally those of WIOA partners operating in the America’s Job Center of California (AJCC) system, formally known as a One-Stop Career Centers, but potentially through other partners of the workforce system as well. In this regard, it is typically at the local level where services will be integrated, resources braided, and supportive services provided to individuals being served by the partners.

Program Alignment, Integrated Services, Braided Resources, and Upskilling On-Ramps

Local workforce development plans are required to ensure a baseline level of WIOA core program alignment compliant with federal regulations at the local level, in and through AJCCs (the state’s One-Stop system) so that core program and mandated services are coordinated, and when appropriate, integrated to make accessible a menu of customizable services available

to customers on the basis of their needs (e.g., programs should be accessible to individuals with disabilities and those that are limited English proficient and, in general, should be customer-centered such that customers can access the relevant services for which they are eligible). Additionally, AJCCs are required to operate as an access point for “regional sector pathway” programs. As such, local plans and AJCC MOUs should reflect the strategic vision of the relevant WIOA RPU regional plan such that AJCCs are operating as an “on ramp” or “gateway” to the “Regional Sector Pathways” programs either built-out or identified through the regional planning process. In developing these “on ramps,” Local Boards should consider alternative ways to provide services and the necessary supports to guarantee access for members of populations with barriers to employment to ensure that they move through the system seamlessly.

Under the California State WIOA Plan, AJCCs will continue to provide the full menu of One-Stop services, including services now known under WIOA as “career services,” and AJCCs will continue to provide as labor exchange services, especially for those dislocated workers who do not need further training to reenter the labor market. However, the State Plan mandates a greater emphasis on treating AJCCs as an access point for education and training services for those who want and need them. Moreover, local plans and AJCC MOUs must provide more emphasis on coordinating and aligning program services across WIOA core programs to best serve relevant client populations. To this end, Local Boards and their partners should review Chapter 5 of the State Plan and the corresponding partnership agreements, as these detail the commitments and responsibilities of State Plan program partners that are directly associated with local plans and AJCC MOUs.

POLICY AND PROCEDURES

WIOA Regional Plan Requirements

WIOA Section 106(c) “Regional Coordination” identifies eight RPU requirements, referred to, hereafter as the “A-H RPU” requirements. A-H RPU requirements include the following:

- The preparation of a regional plan.
- The establishment of regional service strategies, including use of cooperative service delivery agreements.
- The development and implementation of sector initiatives for in-demand industry sectors or occupations for the region.
- The collection and analysis of regional labor market data (in conjunction with the State).
- The establishment of administrative cost arrangements, including the pooling of funds for administrative costs, as appropriate, for the region.
- The coordination of transportation and other supportive services, as appropriate, for the region.

- The coordination of services with regional economic development services and providers.
- The establishment of an agreement concerning how the planning region will collectively negotiate and reach agreement with Governor on local levels of performance for, and report on, the performance accountability measures described in WIOA Section 116(c), for the Local Workforce Development Area(s) (Local Area) or the planning region.

*Note that WIOA section 106 also makes clear that local plans are considered part of the regional plan and are submitted with Regional Plans to the state for approval.

Final Rule Regulations

Title 20 CFR 679.500-580 of the regulations provides additional guidance on regional plan elements, and the preparation, submission, and modification of the regional plans. Required planning elements essentially mirror the A-H RPU requirements from WIOA Section 106 and reiterate that local plans need to be submitted with regional plans. The regulations also make clear that the regional planning process must be open to the public. Relevant language from the regulations pertaining to the public comment and plan modification process are as follows:

- Local Boards representing each Local Area in the planning region must provide an opportunity for public comment on the development of the regional plan or subsequent plan modifications before submitting the plan to the Governor. To provide adequate opportunity for public comment, the Local Boards must do the following:
 - Make copies of the proposed regional plan available to the public through electronic and other means, such as public hearings and local news media.
 - Include an opportunity for comment by members of the public, including representatives of business, labor organizations, and education.
 - Provide no more than a 30-day period for comment on the plan before its submission to the Governor, beginning on the date on which the proposed plan is made available.
 - The Local Boards must submit any comments that express disagreement with the plan to the Governor along with the plan.

Consistent with WIOA Section 107(e), the Local Board must make information about the plan available to the public on a regular basis through electronic means and open meetings.

- At the end of the first 2-year period of the 4-year local plan, the Local Boards within a planning region, in partnership with the appropriate Chief Elected Official(s) (CEO), must review the regional plan and prepare and submit modifications to the regional plan to reflect changes:

- In regional labor market and economic conditions.
- Other factors affecting the implementation of the local plan, including but not limited to changes in the financing available to support WIOA Title I and partner-provided WIOA services.

Special Note on Accessibility for Individuals with Disability

Under WIOA Section 188 public meetings and publicly disbursed information pertaining to regional plan content must be made accessible to individuals with disabilities to ensure an opportunity for full and equal participation in the regional planning process.

State Law Requirements Relevant to Regional Planning

State law requires the State Board to implement additional standards for certifying high-performing (HPB) Local Boards. In order to be considered eligible for HPB certification, a Local Board is required meet all regional planning requirements of the federal law and State Plan [CUIC Section 14200(3)(A)-(B)].

Other HPB certification criteria would require local planning with the following entities:

- Key stakeholders, including the major employers and industry groups from the relevant regional economy and organized labor.
- Partners in K–12 education, career technical education, the community college system, other post-secondary institutions, and other Local Areas operating in the relevant regional economy [See CUIC Section 14200 (4)-(5)].
- Partnerships with DOL programs, including Youth Build and Job Corps programs, and California Conservation corps programs and their local affiliates [as required by pending legislation Assembly Bill (AB) 2719].

Local plans are considered to be part of the regional plan under federal law and regulation. Local plans can demonstrate that they involve key stakeholders, including the major employers and industry groups from the relevant regional economy and organized labor, and can demonstrate that they account for the entire workforce training pipeline for the relevant regional economy, including partners in K–12 education, career technical education, the community college system, other post-secondary institutions, and other Local Areas operating in the relevant regional economy **by making use of regional planning efforts that meet these very same criteria**, provided that the relevant local plan demonstrates operational alignment with the strategic objectives of the respective regional plans, the regional plans were developed with the relevant required stakeholders enumerated directly above, and the local plan demonstrates some level of coordination with the partners enumerated in the HPB certification criteria.

State Plan Requirements Relevant to Regional Planning

The State Plan provides additional requirements for WIOA regional plans in the following areas:

- Required regional partners
- Development of regional sector pathways
- Industry-valued post-secondary credential attainment
- Accessibility and inclusivity
- Job quality considerations
- Regional assessment

Required Regional Planning Partners

Under the State Plan, the required regional partners for developing and implementing the regional plans are as follows:

- Industry sector leaders, including associations, business organizations, and organized labor from the region's priority industry sectors.
- Regionally organized Local Boards.
- Local economic development agencies.
- Regional consortia of community colleges.
- Regional consortia of adult education providers, (including both WIOA Title II and other state-funded adult education and basic skills programs).
- Representatives of K-12 Career and Technical Education (CTE) programs funded by either federal Perkins funds or various state-specific CTE funding streams, when relevant county offices of education and other local educational agencies determine that participation will benefit the students participating in regional CTE programs.
- DOR

Per the State Plan, and agreement between DOR and the State Board, Local Boards are required to invite DOR to participate in WIOA regional planning efforts, particularly any regional planning efforts pertaining to employer engagement, and in particular, coordinated efforts to engage federal contractors to take advantage of "503" hiring requirements. Following the release of the State Plan, DOR committed to participating in regional planning to further encourage program alignment and partnership with WIOA State Plan partners operating at the regional level. As such, DOR is a required regional planning partner.

Additional regional partners may also include the Employment Training Panel (ETP), Independent Living Centers, the Assistive Technology Network, county welfare agencies,

county CalFresh Supplemental Nutrition Assistance Program Employment and Training (SNAP E/T) programs, as well as community groups with experience representing and serving individuals with barriers to employment. Furthermore, the State Board recommends the following:

- Local Boards are encouraged to contact ETP and County Welfare agencies and invite them to participate in regional planning efforts.
- Local Boards in single county RPUs should make it a priority to engage County Welfare programs at the RPU/County level so as to reduce duplicative efforts between Local Boards and county-operated Temporary Assistance for Needy Families (TANF)/CalWORKs programs.
- Regional planning efforts should involve a broader group of partners and efforts should be made to be inclusive, taking into consideration the characteristics, demographics, and nature of each region so as to ensure that relevant stakeholders have an opportunity to provide input to and feedback on the regional plan and the regional sector pathways emphasized by the regional plan:
 - Efforts should be made to involve CBOs that have experience serving or working with high-need and historically disadvantaged communities such as farm workers, ex-offenders, out of school and/or disconnected and foster youth, including former foster youth.
 - In those areas of the state where limited English proficient and foreign born are significant share of the population and/or workforce, efforts should be made to include CBOs representing and serving these communities in the planning process.
 - Local Boards and their regional partners should give due consideration to the language needs of the communities in their jurisdiction, ensuring accessibility and outreach efforts so that community organizations and prospective recipients of services are aware of and can participate in the regional planning process, including being able to submit comments during the public comment period.

Attachment 1 provides a map of RPU boundaries and details assigned RPU regional planning partners. This attachment does not provide an exhaustive list of organizations that may participate in regional planning efforts, but it does identify the regional planning partners required under the State Plan. Additional information pertaining to relevant regional partners and initiative can also be found [here](#) and [here](#).

Regional Planning Partner Modification

Should RPUs, Community College Regional Consortia, or AEBG consortia disagree with the required regional planning partners noted in Attachment 1, they may jointly petition the State Board, California Community Colleges Chancellor's Office, and California Department of Education for a regional planning modification. Petitioners must provide an evidence-based rationale for the alternate planning relationships identified in the proposal and must enumerate an itemized list of alternate regional planning partners. The proposal for alternative regional planning partners must include data and analysis that address all of the following:

- An explanation as to why the state assigned partners detailed in Attachment 1 are inappropriate for regional planning purposes.
- Shared regional industries of focus.
- Commute patterns of workforce.
- Prior regional collaborations strategies and outcomes.
- A signed agreement by the proposed regional planning partners that identifies the proposed alternate planning partners.

Regional Planning Modification petitions which propose to alter RPU, College Consortia, or AEBG consortia boundaries will not be accepted. The modification process is provided as a means to propose alternate partnership relations between systems, not change the required partnerships within systems. Essentially the modification process is designed to allow for feedback on the assigned partnerships identified in this regional planning guidance and provide for a mechanism for making alterations concerning partnership across systems if this guidance has failed to identify the most appropriate planning partners.

Regional planning may include additional partners not specified in Attachment 1, including partners technically outside of the RPU boundaries where such coordinated planning activity makes sense for local and regional operational reasons. There is no need to submit a Regional Planning Partner Modification to do so. Modification requests are only necessary in those instances where there is a proposal to **not** include assigned regional planning partners in the planning process.

Required Regional Plan Content

Under the State Plan, regional plans must be developed as vehicles to implement three of the seven policy strategies emphasized in the State Plan:

- Sector strategies
- Career pathways
- Regional partnerships

These three policy strategies are discussed at length in Chapter 3 and Chapter 5 of the State Plan and the regional plan requirements detailed below are directly relevant to efforts to bring these strategies together in regional efforts to build “regional sector pathways.”

Requirements Pertaining to Identification and Development of Regional Sector Pathways

Working with the planning partners identified above, Local Boards in RPUs are required to identify, develop, prioritize, service, and feed “regional sector pathway” programs. To this end, regional plans must include the following:

- A description of the way planning partners, including local economic development agencies, assessed regional industry workforce needs, including a description of the data sources utilized, the industry leaders engaged, and the manner in which industry engagement took place, including a summary of any relevant convening activities, the dates partners met, who attended, and what was decided.
- An analysis of the manner in which regional partners, including industry leaders, have determined, or will determine whether existing training and education programs in the region were/are meeting industry’s workforce needs. This analysis should provide a description of any areas of identified training and education deficiency and what planning partners have committed to do to resolve relevant deficiencies.
- A description of any existing career pathway programs in the region that have been identified as meeting leading and emergent industry sector needs. This description should specifically articulate the manner in which industry participated in the identification of relevant pathways.
- A description of the work being done by industry, workforce boards, economic development agencies, and relevant faculty partners to recommend and implement any necessary adjustments to further develop career pathway programs that meet regional industry needs.

Requirements Pertaining to Industry-Valued Post-Secondary Credential Attainment

Under the State Plan, regional sector pathway programs should result in the attainment of industry-valued and recognized post-secondary credentials that are portable and aligned with regional workforce needs. As a result, all regional plans are required to identify the following:

- The process used to determine industry-valued and recognized post-secondary credentials, including a description of the process taken to insure industry leads this discussion.

- The current industry-valued and recognized post-secondary credentials being emphasized in the regional plan and the process that will be used to ensure their relevance in subsequent years as labor markets change.
- The manner in which regional partners, including industry leaders, determined that the relevant credentials are actually industry valued.
- The relevant training and education providers providing the credentials.
- How the regional planning partners will establish regional goals for, and track attainment of industry-recognized credentials produced in each region, including each Local Board's contribution, and the total contribution of industry-recognized credentials produced by the partners collectively in the RPU

Attachment 2 provides the State Board's policy statement and framework for identifying industry-recognized credentials. Regional partners must develop their approach to both credentials and regional career pathways with this framework in mind.

Requirements Pertaining to Accessibility and Inclusivity

Regional planning is intended to be inclusive and regional sector pathway programs must be flexibly designed and include, as appropriate, remedial programming, so as to allow individuals with barriers to employment and other target populations, including those with limited basic skills and limited English proficiency, an ability to work their way along these pathways. Regional sector pathway programs must be designed to allow participation of individuals with disabilities. As a result, all regional plans are required to provide the following:

- A description of regional planning outreach efforts made to include stakeholders and CBOs representing the individuals from target populations that represent the demography of the region, including those groups who have experience serving or working with high-need and historically disadvantaged communities such as farmworkers, ex-offenders, those who are limited English proficient, out of school and/or disconnected and foster youth (including former foster youth). This description should include how and which groups (by name) were contacted and invited to participate in regional planning efforts.
- A description of the manner in which AEBG consortia participated in the WIOA regional planning process.
- An analysis of the need for basic skills education in the RPU, including background on the demography and languages spoken in the region, as well as an enumeration of the estimated number of individuals being served regionally, the types of basic skills related services offered in the RPU, and an overview of the way the regional partners are working together to meet any unmet needs.

- An analysis of the way basic skills education will be integrated into regional sector pathways programs emphasized by the regional plan, including an analysis of any strategies to serve members of the regional population who have limited English proficiency.
- A description of regional efforts to streamline and coordinate intake, assessment, and referrals of individuals needing basic skills remediation.
- An analysis of the ways in which RPU partners, including Local Boards, Community Colleges, Adult Schools, and AEBG consortia will ensure program and physical accessibility and participation in regional sector pathway programs for individuals with disabilities.
- As appropriate, an analysis of the need for, and a description of the means by which regional partners will work together to place individuals enrolled in TANF/CALWORKS in regional sector pathway programs.
- An analysis of the way regional program partners will work together to provide supportive services to individuals enrolled in regional sector pathways programs, including individuals from populations with barriers to employment. Regional plans should demonstrate how partners will work together to ensure a comprehensive provision of services that facilitate program completion.
- A description of the role of CBOs, such as Independent Living Centers, in helping provide services to and integrating individuals with barriers to employment into region sector pathway programs, including participation in program development, outreach, and the provision of specialized supportive services for relevant target populations.
- A description of the process Local Boards and their partners will use to retain individuals in relevant programs as they work their way through the career pathway progressing into livable wage jobs and careers.

Requirements Pertaining to Job Quality

State law directs the State Board to develop strategies that help people enter and retain employment and emphasizes the development of policies that lead to “placement in a job providing economic security or job placement in an entry-level job that has a well-articulated career pathway or career ladder to a job providing economic security” (CUIC Section 12013). State law defines these jobs as those that provide, “a wage sufficient to support a family adequately, and, over time, to save for emergency expenses and adequate retirement income, based on factors such as household size, the cost of living in the worker’s community, and other factors that may vary by region.” References to “job with good wages and benefits” in this guidance are those jobs that meet this definition.

State law and the State Plan both make clear that sector initiatives and career pathways programs should focus efforts on moving people into jobs that provide economic security. The State Board acknowledges that some individuals being served by the workforce system will

require multiple interventions over an extended period of time to help move them into a job that provides economic security. However, the expectation is that a focus on quality jobs should not serve as a deterrent to the provision of services to those with barriers to employment. To facilitate the development of a workforce system geared toward upward mobility, job quality and economic security, all regional plans are required to provide the following information:

- A description of the projected earnings of those employed in occupations directly related to the regional sector pathway programs identified in the regional plan.
- A comparison of the foregoing wage levels to the median wage in the relevant RPU.

The State Board recognizes that not all jobs are good jobs and that education and training alone will not solve the problem of poverty. There is a hidden cost to low wage work that is ultimately borne by communities, particularly communities of color and immigrant populations. The State Board is committed to developing a workforce system that enables economic growth and shared prosperity on the basis of innovation, quality, and skills attainment rather than low wages, contingent employment, and low or no benefits. As such, State Plan partners and providers covered by the plan should make it a priority to work with employers who offer jobs with good wages and benefits, support for ongoing skills training and employee advancement, good working conditions (including paid sick days, paid family leave, and paid medical or short-term disability leave), and adequate hours with predictable schedules that enable employees to meet their family caregiving commitments. As a result, all regional plans are required to provide the following information:

- A description of the way each of the Local Boards in the RPU will assist and prioritize working with employers who offer jobs with good wages and benefits, especially those employers who have a history of hiring high-need or historically disadvantaged populations, including individuals from populations with barriers to employment.
- A description of the process Local Boards will take to implement incumbent worker training strategies to ensure progression along career pathways.

Additional Requirements Pertaining to Regional Assessment

The State Plan requires regional partners to determine the extent to which persons receiving training and education services aligned with regional industry needs in each RPU are actually obtaining employment in occupations and sectors directly related to their programs of study. Developing this capacity will require creativity and the development of an operational plan for collecting relevant information. As a consequence, all regional plans are required to provide the following information:

- How the regional partners in the RPU will work together to track training-related employment for individuals entering the labor market.

Additional Requirements Being Issued/Clarified At this Time

A significant share of the California population is foreign born, including several million individuals in the workforce who are limited English proficient. The following counties have a workforce that is at least 15 percent limited English proficient: Imperial, Monterey, San Benito, Los Angeles, Tulare, Merced, Santa Clara, Madera, Fresno, Orange, San Joaquin, San Mateo, Santa Barbara, Kern, Kings, Alameda, San Francisco, Napa, Stanislaus, San Bernardino, Ventura, Riverside, San Diego, Yolo, Sutter, Contra Costa, and Sacramento. RPUs containing one or more of these counties must assess and specify in their regional plans how they will address the needs of and provide services to those who are limited English proficient. These RPUs are required to provide the following information in their regional plans:

- A description of regional planning outreach efforts made to include stakeholders and CBOs in the region who represent limited English proficient individuals.
- An assessment of the need to provide services to and how services will be provided to limited English proficient individuals. This requirement must be addressed specifically in the regional analysis background sections of Regional/Local plans.
- A description of the services that will be provided to limited English proficient individuals. These services should be specifically detailed in any sections of the regional plan that deal with the provision of services to individuals with basic skills challenges. Regional plans must also specify how basic skills programs in the RPU will serve individuals from these communities.

State Plan Requirements that Meet Federal A-H Regional Plan Requirements

State board staff have reviewed and compared State Plan requirements with WIOA Section 106 A-H requirements and have determined that RPUs that meet State Plan requirements for their regional plan may be able to simultaneously meet a number of the federal regional plan requirements. As RPUs develop their plans, they should consider the following:

- RPUs that meet the State Plan requirements pertaining to the identification and development of regional sector pathway programs will meet federal regional plan requirements pertaining to the development and implementation of sector initiatives for in-demand industry sectors or occupations in the region.
- RPUs that meet the State Plan program and physical accessibility and inclusivity requirements for regional plans will meet the federal requirement for the establishment of regional service strategies if the RPU develops a cooperative service delivery agreement that does any of the following:
 - Seamlessly integrates basic skills programs in the RPU with regional sector pathways programs emphasized by the regional plan so that students with basic skills challenges can enter, participate in, and successfully move along regional sector pathway programs.

- Achieves streamlined, coordinated intake, the use of a common assessment tool, and coordinated referral for individuals needing basic skills remediation.
- Ensures program and physical accessibility, the coordinated provision of services, and participation in regional sector pathway programs for individuals with disabilities.
- Provides coordinated supportive services to, and enrolls TANF/CALWORKS participants in, regional sector pathway programs.
- RPU plans that meet State Plan requirements to provide an analysis of the way regional program partners will work together to provide supportive services to individuals enrolled in regional sector pathways programs will meet federal requirements pertaining to the coordination of transportation and other supportive services so long as supportive services are actually provided in a coordinated fashion and this coordination is described in the plan and detailed in a regional MOU. A regional plan that provides coordinated supportive services to, and enrolls TANF/CALWORKS in, regional sector pathway programs will also meet this federal requirement so long as supportive services are actually provided in a coordinated fashion and this coordination is described in the plan and detailed in a regional MOU.
- RPU plans that meet the State Plan requirements to provide a description of the way planning partners, including local economic development agencies, assessed regional industry workforce needs will meet federal requirements pertaining to the collection and analysis of regional labor market data as long as they specify how labor market provided by the state informed their assessment of regional labor market needs.
- RPUs can meet the federal requirements pertaining to the coordination of services with regional economic development agencies provided that they meet the State Plan requirements to involve economic development agencies in regional efforts to develop regional sector pathways and provided that economic development agencies' services and priorities help determine the sectors emphasized in the RPU's regional plan.
- RPUs can meet the federal requirements pertaining to the establishment of administrative cost arrangements, including the pooling of funds for administrative costs, as appropriate, for the region if they can demonstrate, through an agreed to MOU that they have pooled resources to meet any of the State Plan requirements for RPUs specified in this planning guidance.

Local Planning Requirements

WIOA, Final Rule, and State Law

The State Board has reviewed the applicable federal statute, regulations, and state law, and determined that the requirements for local plans enumerated in these three sources are

currently consistent, though pending state legislation (AB 2719) would add additional state planning requirements for local plans. The disposition of the bill will be known by September 30, 2016, and if passed and signed by the Governor will become effective January 1, 2017.

The guidance sections that follow will detail federal requirements, review additional requirements in pending legislation and the State Plan, and then specify areas where Local Boards can meet these local plan requirements by being strategic in the way they draft regional and local plans.

Federal Requirements

Federal statute and regulations require that local plans provide information in thirteen general areas, which including the following:

- Analytical background concerning the regional economy, labor market needs, and the workforce and education system operating in the region.
- A cohesive statement pertaining to the vision, goals, and strategy of the Local Board and its partners.
- Detail on local program alignment to implement State Plan policy strategies.
- Detail on a number of specified services and service delivery strategies.
- Required Information Pertaining to AJCCs.
- Required Information Pertaining to Specific Programs, Populations, and Partners.
- Relevant Information Pertaining To Grants and Grant Administration.
- Relevant information pertaining to performance goals.
- Relevant information pertaining to HPB efforts.
- Relevant information on training activities.
- Public transparency, accessibility, and inclusivity information.
- Relevant information pertaining to common intake and case management efforts.
- Other miscellaneous information requirements.

Greater detail for these federal local plan requirements is set forth in the sections that follow.

Analytical Background Requirements

Analytical background concerning the regional economy, labor market needs, and the workforce and education system operating in the region. For reasons explained further on in the guidance, these local plan requirements will be submitted as part of the regional plan, and not for each local plan. According to the WIOA, the relevant background information must include the following:

- A regional analysis of economic conditions, including existing and emerging in-demand industry sectors and occupations, and employment needs of employers in existing and emerging in-demand industry sectors and occupations. A Local Area may use an existing analysis, which is a timely current description of the regional economy, to meet the foregoing requirements.
- An analysis of the knowledge and skills needed to meet the employment needs of the employers in the region, including employment needs in in-demand industry sectors and occupations.
- An analysis of the regional workforce, including current labor force employment and unemployment data, information on labor market trends, and educational and skill levels of the workforce, including individuals with barriers to employment. Target populations include the following:
 - Displaced homemakers.
 - Low-income individuals.
 - Indians, Alaska Natives, and Native Hawaiians, as those terms are defined in Section 3221 of Title 29 of the United States Code.
 - Individuals with disabilities, including youths who are individuals with disabilities.
 - Older individuals.
 - Ex-offenders.
 - Homeless individuals, as defined in Section 14043e-2(6) of Title 42 of the United States Code, or homeless children and youths, as defined in Section 11434a(2) of Title 42 of the United States Code.
 - Youth who are in, or have aged out of, the foster care system.
 - Individuals who are limited English proficient, individuals who have low levels of literacy, and individuals facing substantial cultural barriers.
 - Eligible migrant and seasonal farmworkers, as defined in Section 3322(i) of Title 29 of the United States Code.
 - Individuals within two years of exhausting lifetime eligibility under Part A of Title IV of the Social Security Act (42 U.S.C. Section 601 et seq.).
 - Single parents, including single, pregnant women.
 - Long-term unemployed individuals.
[Reference WIOA Section 24(A)-(M)]
- An analysis of workforce development activities, including education and training, in the region. This analysis must include the strengths and weaknesses of workforce development activities and capacity to provide the workforce development activities to

address the education and skill needs of the workforce, including individuals with barriers to employment, and the employment needs of employers.

For added assistance, Regional Planning Unit summaries containing relevant labor market information for each of the 14 RPUs were prepared by the Employment Development Department's (EDD) Labor Market Information Division (LMID). These summaries may be accessed on the [Regional Economic Analysis Profiles](#) webpage by scrolling down the page and selecting "Regional Planning Unit Summaries."

This EDD LMID data are intended to assist Local Boards as they prepare the background analyses described above and should serve as an important data source for these analyses. Local Boards may also use other reputable information sources in the background analyses they prepare for their plans. Regional and local plans should tie overall plan content to the analytical background information they provide in their plans.

Vision, Goals, and Strategy Statement

A cohesive statement pertaining to the vision, goals, and strategy of the Local Board and its partners. This statement must include the following:

- A description of the Local Board's strategic vision to support regional economic growth and economic self-sufficiency. This must include goals for preparing an educated and skilled workforce (including youth and individuals with barriers to employment), and goals relating to the performance accountability measures based on WIOA performance indicators described in Title 20 CFR 677.155(a)(1). Vision, goals, and strategy must be linked to the analytical background information.
- Taking into account analyses described above, a strategy to work with the entities that carry out the core programs and other required partners to align resources available to the Local Area, to achieve the strategic vision of the local plan.

Local Program Alignment to Implement State Plan

Required detail on local program alignment to implement State Plan policy strategies includes the following:

- A description of the workforce development system in the Local Area that identifies programs included in the system.
- How the Local Board will support the seven policies identified in the State Plan and will work with the entities carrying out core programs and other workforce development programs, including programs of study authorized under the *Carl D. Perkins Career and*

Technical Education Act of 2006 (20 U.S.C. 2301 et seq.) to support service alignment and implement the policy strategies emphasized in the State Plan.

Information on Specified Services and Service Delivery Strategies

Required detail on specific required services and service delivery strategies includes the following:

- A description of the ways the Local Board will work with entities carrying out core programs to expand access to employment, training, education, and supportive services for eligible individuals, particularly eligible individuals with barriers to employment. Target populations identified in WIOA Section 24(A)-(M).
- A description of the way the Local Board will facilitate the development of career pathways and co-enrollment, as appropriate, in core programs.
- A description of the way the Local Board will improve access to activities leading to a recognized post-secondary credential (including a credential that is an industry-recognized certificate or certification, portable, and stackable).
- A description of the way Local Boards and their partners will facilitate engagement of employers in workforce development programs, including small employers and employers in in-demand industry sectors and occupations.
- A description of the way Local Boards and their partners will support a local workforce development system that meets the needs of businesses in the Local Area.
- A description of the way Local Boards and their partners will better coordinate workforce development programs and economic development.
- A description of the way Local Boards and their partners will strengthen linkages between the AJCC delivery system and unemployment insurance programs.

The foregoing may provide a description of the way Local Boards and their partners will implement initiatives such as incumbent worker training programs, on-the-job training programs, customized training programs, industry and sector strategies, career pathways initiatives, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of regional employers. These initiatives should support the strategy the Local Board will use to work with entities carrying out core programs to expand access to employment, training, education, and supportive services for eligible individuals, particularly eligible individuals with barriers to employment.

Information Pertaining to AJCCs

Local plan requirements pertaining to AJCCs include the following:

- A description of the way the Local Board will ensure the continuous improvement of eligible providers of services through the system and that such providers will meet the employment needs of local employers, workers, and jobseekers.
- A description of the way the Local Board will facilitate access to services provided through the AJCC delivery system, including in remote areas, through the use of accessible technology and other means.
- A description of the way entities within the AJCC delivery system, including AJCC operators and the AJCC partners, will comply with WIOA Section 188, if applicable, and applicable provisions of the *Americans with Disabilities Act of 1990* (42 U.S.C. 12101 *et seq.*) regarding the physical and programmatic accessibility of facilities, programs and services, technology, and materials for individuals with disabilities, including providing staff training and support for addressing the needs of individuals with disabilities.
- A description of the roles and resource contributions of the AJCC partners.
- The inclusion, as an appendix in each Local plan, of a list of MOUs and cooperative agreements that are in progress and copies of executed cooperative agreements that define how all local service providers, including additional providers, will carry out the requirements for integration of and access to the entire set of services available in the local AJCC system. This includes cooperative agreements (as defined in WIOA Section 107[d][11]) between the Local Board or other local entities described in WIOA Section 101(a)(11)(B) of the *Rehabilitation Act of 1973* (29 U.S.C. 721[a][11][B]) and the local office of a designated state agency or designated state unit administering programs carried out under Title I of such act (29 U.S.C. 720 *et seq.*) (other than Section 112 or part C of that Title 29 U.S.C. 732, 741 and subject to Section 121[f]) in accordance with Section 101(a)(11) of such Act (29 U.S.C. 721[a][11]) with respect to efforts that will enhance the provision of services to individuals with disabilities and to other individuals, such as cross training of staff, technical assistance, use and sharing of information, cooperative efforts with employers, and other efforts at cooperation, collaboration, and coordination.

Specific Programs, Populations, and Partners

Information requirements pertaining to specific programs, populations, and partners includes the following:

- An examination of how the Local Board will coordinate local workforce investment activities with regional economic development activities that are carried out in the Local

Area and how the Local Board will promote entrepreneurial skills training and microenterprise services.

- A description and assessment of the type and availability of adult and dislocated worker employment and training activities in the Local Area.
- A description of how the Local Board will coordinate rapid response activities carried out in the Local Area
- A description and assessment of the type and availability of youth workforce activities in the Local Area including activities for youth who are individuals with disabilities. Include successful evidence-based models of such activities.
- How the Local Board will coordinate relevant secondary and post-secondary education programs and activities with education and workforce investment activities to coordinate strategies, enhance services, and avoid duplication of services.
- How the Local Board will coordinate WIOA Title I workforce development activities with the provision of transportation and other appropriate supportive services in the Local Area.
- Plans, assurances, and strategies for maximizing coordination, improving service delivery, and avoiding duplication of Wagner-Peyser Act (29 U.S.C. 49 et seq.) services and other services provided through the AJCC delivery system.
- How the Local Board will coordinate WIOA Title I workforce development activities with adult education and literacy activities under WIOA Title II. This description must include how the Local Board will carry out the review of local applications submitted under title II consistent with WIOA Sections 107(d)(11)(A) and (B)(i) and Section 232.

Required Information Pertaining To Grants and Grant Administration

Relevant information pertaining to grants and grant administration includes the following:

- An identification of the entity responsible for the disbursement of grant funds described in WIOA Section 107(d)(12)(B)(i)(III), as determined by the CEO or the Governor under WIOA Section 107(d)(12)(B)(i).
- The competitive process that will be used to award the subgrants and contracts for WIOA Title I activities.

Performance Goals

The local plan should describe the levels of performance negotiated with the Governor and CEO consistent with WIOA Section 116(c), to be used to measure the performance of the Local Area and to be used by the Local Board for measuring the performance of the local fiscal agent

(where appropriate), eligible providers under WIOA Title I subtitle B, and the AJCC delivery system in the Local Area.

Federal High Performance Board Requirements and Local Plans

Under state law the next certification for HPB status will take place midway through the implementation of WIOA regional and local plans (2019). Further information from the State Board on certification criteria for HPB status under state law will be forthcoming, but Local Boards should note that the use of the term “high performing board” under state law is broader than it is under federal law and was developed to encourage Local Boards to adopt a number of statutorily identified best practices, many of which involve comprehensive planning efforts with education partners and alignment with regional labor market needs.

Under the federal law, the local plan is required to describe the actions the Local Board will take toward becoming or remaining a high performing board, consistent with the factors developed by the state in accordance with the requirements of WIOA Section 101(d)(6). Relevant local plan content will need to identify how Local Boards will assess the effectiveness and continuous improvement of AJCCs as well as how they will comply with state-issued AJCC policies specified in all policy directives pertaining to AJCCs including the following:

- [WSD15-14](#) – WIOA Adult Program Priority of Service
- [WSD15-12](#) – WIOA Phase I Memorandums of Understanding
- [WSDD-151](#) – WIOA Phase II Memorandums of Understanding

Training Activity

The local plan should describe how training services outlined in WIOA Section 134 will be provided through the use of individual training accounts. If contracts for training services will be used, the local plan must include a description of how the use of such contracts will be coordinated with the use of individual training accounts, and how the Local Board will ensure informed customer choice in the selection of training programs regardless of how the training services are to be provided.

Transparency, Accessibility, and Inclusivity

The local plan must describe the process used by the Local Board, consistent with WIOA Section 108(d), to provide a 30-day public comment period prior to submission of the plan, including an opportunity to have input into the development of the local plan, particularly for representatives of businesses, education, and labor organizations. There should be a concerted effort to engage representatives from the local community in this process, and reasonable accommodation should be made to include representatives from target populations, including accommodation for individuals with language needs and individuals with disabilities. Under WIOA Section 188 and relevant regulations, public meetings and publically disbursed information pertaining to local plan content must be made accessible to individuals with

disabilities to ensure an opportunity for full and equal participation in the local planning process.

Per the direction of the State Board, the process for public comment should include outreach to help facilitate the involvement of a broad group of partners and should take into consideration the characteristics, demographics, and nature of each local area so as to ensure that relevant stakeholders have an opportunity to provide input to and feedback on the plan:

- Efforts should be made to involve CBOs that have experience serving or working with high-need and historically disadvantaged communities such as farm workers, ex-offenders, out of school and/or disconnected and foster youth, including former foster youth.
- In those areas of the state where limited English proficient and foreign born are significant share of the population and/or workforce, efforts must be made to include CBOs representing and serving these communities.
- Local Boards and their regional partners should give due consideration to the language needs of the communities in their jurisdiction, ensuring accessibility and outreach efforts so that community organizations and prospective recipients of services are aware of and can participate in public comment process.

Practices that should be considered when conducting the local plan development and public comment processes include the following:

- Hold public meetings at multiple times and locations that allow a diverse range of individuals and organizations to attend, including evening and weekend meetings. This includes holding meetings at public facilities such as libraries, community centers, or neighborhood organizations recognized within the community.
- Ensure that interpreters are available when holding meetings in limited English proficient communities. Translate materials, including electronic communications and invitations, in other languages where appropriate.
- Schedule meeting locations within access to public transportation, and walking and biking routes.
- Partner with community leaders and organizations that can assist with outreach.

To ensure adequate effort in each of the foregoing areas, local plans must include the following:

- A description of local outreach efforts made to include stakeholders and CBOs representing the individuals from target populations characteristic of the demography of the region, including those groups who have experience serving or working with high-

need and historically disadvantaged communities, such as farmworkers, ex-offenders, those who are limited English proficient, and out of school and/or disconnected and foster youth (including former foster youth). This description should note how and which groups (by name) were contacted and invited to participate in both planning efforts and the public comment process.

Intake and Case Management

The local plan should describe how AJCCs are implementing and transitioning to an integrated, technology-enabled intake and case management information system for programs carried out under WIOA and by AJCC partners. The State Board recognizes that efforts to move in this direction are somewhat contingent on state-led data-sharing and coordination efforts between core programs. For purposes of this section, please describe how Local Boards currently handle intake and case management and whether their existing approach allows for the tracking of co-enrolled individuals across WIOA core programs and other programs party to the State Plan.

Other Miscellaneous Requirements

Other local plan requirements include the following:

- The direction given by the Governor and the Local Board to the AJCC operator to ensure priority for adult career and training services will be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient consistent with WIOA Section 134(c)(3)(E) and 20 CFR Section 680.600.
- The local plan should identify the portions that the Governor has designated as appropriate for common response in the regional plan where there is a shared regional responsibility, as permitted by 20 CFR Section 679.540(b).
- Comments submitted during the public comment period that represent disagreement with the plan must be submitted with the local plan.

Pending State Legislation

AB 2719 (Eduardo Garcia, pending, 2016) would require that Local Boards include the following entities in Local planning efforts pertaining to the development and implementation of career pathways:

- Adult Education consortiums.
- School districts.
- Schools operating in partnership with DOL programs (Job Corps, Youth Build, and California Conservation Corps).
- Community colleges.

State Plan Requirements for Local Plans

The State Plan adds four requirements for local plans:

- Local plans must specify how Local Boards will work with WIOA Section 166 grantees to include in their local plans their strategies to provide Indian and Native Americans equal access to AJCC services.
- Local plans must specify how Local Boards will work with WIOA Section 167 grantees to include in their local plans their strategies to provide eligible Migrant Seasonal Farmworkers equal access to AJCC services. When possible, efforts should be made to co-enroll and coordinate services with 167 grantees.
- Local plans must specify how Title II program applicants will be given access to local plans for purposes of reviewing the local plan and developing Title II applications for funding. Local plans must also specify how the Local Board will carry out the review of Title II grant applications to determine whether such applications are consistent with the local plan, and how Local Boards will make recommendations to the eligible agency to promote alignment with the local plan, as described in WIOA Sections. 107(d)(11)(A) and (B)(i) and Section 232.
- Local plans must specify how AJCCs will serve as an on-ramp for the regional sector pathways emphasized in the corresponding regional plan.

State Adjustments to Local Plan Requirements

Title 20 CFR Section 679.540(b) grants the state the ability to issue planning guidance that transfers local plan requirements into the regional plan whenever there is a shared regional responsibility. The State Board is availing itself of this flexibility to reduce duplication of effort and reduce the workload of Local Boards wherever federal and state regional plan requirements substantially overlap WIOA local plan requirements. Accordingly, the State Board has determined the following:

- Regional Labor Market, Economic, and Background Analyses required in local planning efforts is unnecessary provided that the corresponding RPU background analyses meet the information requirements for local plan content. As a consequence the State Board is directing Local Boards to work with their partners to develop a common background analysis that meets the informational specifications of the local plan background analysis and simply place this information in the regional plan. The required informational elements are as follows:
 - A regional analysis of economic conditions including existing and emerging in-demand industry sectors and occupations, and employment needs of employers in existing and emerging in-demand industry sectors and occupations. RPU

partners may use an existing analysis, which is a timely current description of the regional economy, to meet the foregoing requirements.

- An analysis of the knowledge and skills needed to meet the employment needs of the employers in the region, including employment needs in in-demand industry sectors and occupations.
- An analysis of the regional workforce, including current labor force employment and unemployment data, information on labor market trends, and educational and skill levels of the workforce, including individuals with barriers to employment.
- An analysis of workforce development activities, including education and training, in the region. This analysis must include the strengths and weaknesses of workforce development activities and capacity to provide the workforce development activities to address the education and skill needs of the workforce, including individuals with barriers to employment, and the employment needs of employers.
- Local plan content requirements pertaining to career pathways, post-secondary credential attainment, coordination with economic development agencies, employer engagement, sector strategies, and coordination with secondary and post-secondary institutions may simply indicate the way local services and operations are integrated into broader RPU efforts in each of these areas so long as broader RPU efforts in these areas are developed in consultation with required planning partners.
- Local Boards may propose to handle any other local planning requirement through collective regional efforts so long as there is an agreement for shared responsibility with other Local Boards in the RPU for collectivizing the relevant function(s). Such efforts are encouraged, though contingent on State Board approval.

Additional Requirements Being Issued/Clarified At this Time

A significant share of the California population is foreign born, including several million individuals in the workforce who are limited English proficient. The following counties have a workforce that is at least 15 percent limited English proficient: Imperial, Monterey, San Benito, Los Angeles, Tulare, Merced, Santa Clara, Madera, Fresno, Orange, San Joaquin, San Mateo, Santa Barbara, Kern, Kings, Alameda, San Francisco, Napa, Stanislaus, San Bernardino, Ventura, Riverside, San Diego, Yolo, Sutter, Contra Costa, and Sacramento. Local areas containing one or more of these counties must assess and specify in their local plans how they will address the needs of and provide services to those who are limited English proficient. Local plans are required to provide the following information:

- A description of planning outreach efforts made to include stakeholders and CBOs in the local area who represent limited English proficient individuals.

- An assessment of the need to provide services to and how services will be provided to limited English proficient individuals. This requirement must be addressed specifically in the regional analysis background sections of Regional/Local plans.
- A description of the services that will be provided to limited English proficient individuals. These services should be specifically detailed in any sections of the local plan that deal with the provision of services to individuals with basic skills challenges. Local plans must specify how basic skills programs in the local area will serve individuals from these communities.

PY 2017-2020 Strategic Four Year Local Plan Format

The RPUs and Local Boards should arrange their completed regional and local plans in the following order:

1. Cover Page
2. RPU Regional Plan
 - a. List of Regional Partners Who Are Party to the Plan
 - b. Regional Economic and Background Analysis
 - c. Required Content on Regional Sector Pathways
 - d. Required Content on Industry-Valued Post-Secondary Credential Attainment
 - e. Required Content on Accessibility and Inclusivity
 - f. Required Content on Job Quality Considerations
 - g. Required Content on Regional Assessment
 - h. A description of the manner federal WIOA regional plan requirements not covered by the State Plan required content are being met
 - i. Any Regional MOUs or Cooperative Service Agreements between RPU partners
 - j. Any Community College and AEBG Related Attachments to the regional plan, including Strong Workforce Program regional plans required as part of AB 1602 (Assembly Budget Committee, Chapter 24, Statutes of 2016)
3. Local plans for All the Local Areas in the RPU; each local plan will contain the following:
 - a. A cohesive statement pertaining to the vision, goals, and strategy of the Local Board and its partners
 - b. Required detail on local program alignment to implement State Plan policy strategies
 - c. Required detail on specified services and service delivery strategies
 - d. Required Information Pertaining to AJCCs, including the following State Plan requirements for local plans:

- Detail specifying how Local Boards will work with WIOA Section 166 grantees to include in their local plans their strategies to provide Indian and Native Americans equal access to AJCC services.
 - Detail specifying how Local Boards will work with WIOA Section 167 grantees to include in their local plans their strategies to provide eligible Migrant Seasonal Farmworkers equal access to AJCC services
 - Detail specifying how AJCCs will serve as an on-ramp for the regional sector pathways emphasized in the corresponding regional plan
- e. Required Information Pertaining to Specific Programs, Populations, and Partners
 - f. Relevant Information Pertaining To Grants and Grant Administration
 - g. Relevant information pertaining to performance goals
 - h. Relevant information pertaining to HPB efforts
 - i. Relevant information on training activities
 - j. Public Transparency, Accessibility, and Inclusivity information
 - k. Relevant information pertaining to common intake and case management efforts
 - l. Other miscellaneous information requirements, including the State Plan requirement that Local Boards specify how Title II program applicants will be given access to local plans for purposes of reviewing the local plan and developing Title II applications for funding
 - m. Local Board Assurances
 - n. List of Comprehensive AJCC and AJCC Partners in the Local Area
 - o. AJCC MOU Local Area Grant Recipient Listing
 - p. Copy of Local Board Bylaws
 - q. Program Administration Designee and Plan Signatures
 - r. Public comments received that disagree with the regional and local plan.

All regional and local plans will be reviewed by a team of readers that may include representatives from the State Board, EDD Regional Advisors, and other state partners such as the State Board of Education, the California Department of Education, the Department of Rehabilitation, and the Chancellor's Office. Upon review, the State Board will send each Local Board a letter by July 1, 2017, advising them of the approval status of the local plan for PY 2017-20.

Submission Requirements and Deadline for Regional and Local Plan(s)

Regional and local plans must be submitted to the State Board no later than March 15, 2017. Each RPU and Local Boards within the RPU must submit one package that includes the following:

- ***One electronic version of the regional plan and local plan(s) in a pdf format copied to a compact disc.***
- ***One original of the regional plan and each local plan(s) with the original signatures of the RPU Local Board Chairs and the CEO(s) or their designated alternates.***
- ***Three copies of the regional plan and each local plan(s).***

If local approval cannot be achieved by the submission deadline, the Local Board must submit at least one copy of the unsigned plan by the due date and provide a detailed explanation for the signature absence(s) and the date by which the signed original and copies will be sent. A signed copy must be submitted no later than June 1, 2017. Electronic copies of the signature approval page will be accepted and should be sent to Daniel.Patterson@cwdb.ca.gov, Attention: Regional and Local Plans.

****Note that alternates must be formally designated by official action of their respective Local Board or locally approved policy.***

(Also Note, alternates must be formally designated by official action of their respective Local Board or locally approved policy.)

ACTION

Share this directive with all relevant parties. All local/regional plans should be received by the State Board no later than 5:00 p.m., on March 15, 2017. All submittals must be mailed or hand-delivered to the following:

Mail	California Workforce Development Board Attn: Regional/Local Plan PO Box 826880, MIC 45 Sacramento, CA 94280
Hand Delivered	California Workforce Development Board Attn: Regional/Local Plan 800 Capitol Mall, Suite 1022 Sacramento, CA 95814

INQUIRIES

If you have any questions, contact your Regional Advisor at 916-654-7799 and/or the State Board at 916-324-3425.

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division

Attachments are available on the internet:

1. [Local and Regional Planning Partners](#)
2. [Credentials Framework for Regional Planning Guidance](#)
3. [Regional and Local Plan Guide](#)
4. [Assurances](#)
5. [Local Area Grant Recipient Listing](#)
6. [Bylaws Cover Page](#)
7. [Program Administration Designee and Plan Signatures](#)
8. [Public Comments Cover Page](#)
9. [Regional Plans Cover Page](#)
10. [Summary of Comments](#)

Item 5. Updates and Discussion

c. Recertification of Local Boards

WIB	Signed - Chair & CEO Y / N	Compliant Board	CAP in Place	Meets Perf.	Fiscal Integrity	Comments	Recommend
Alameda							
Anaheim							
Contra Costa							
Foothill							
Fresno	Y/Y	Y	N/A	Y	Y		Approve
Golden Sierra							
Humboldt							
Imperial							
Kern Inyo Mono	Y/Y	Y	N/A	Y	Y		Approve
Kings							
LA City	Y/Y	Y	N/A	Y	Y		Approve
LA County	Y/Y	N	Y	Y	Y	Board Composition	Conditional
Madera	Y/Y	Y	N/A	Y	Y		Approve
Marin						Consolidating with Napa-Lake	
Mendocino	Y/Y	Y	N/A	Y	Y		Approve
Merced	Y/Y	N	Y	Y	Y	Board Composition	Conditional
Monterey							
Mother Lode							
Napa-Lake-Marin	Y/Y	Y	N/A	Y	Y	Local Are Modification Received	Approve
NCCC							
NoRTEC	Y/Y	Y	N/A	Y	Y		Approve
NOVA							
Oakland							
Orange County							
Pacific Gateway	Y/Y	Y	N/A	Y	Y		Approve
Richmond	Y/Y	N	Y	Y	Y	Board Composition	Conditional
Riverside							
Sacramento							
San Benito	Y/Y	N	N	Y	Y	Board Composition	Conditional
San Bernardino City						No Longer a local area	
San Bernardino County						Local Area Modification Adding SBO City	
San Diego							
San Francisco							

San Joaquin	Y/Y	N	Y	Y	Y	Board Composition	Conditional
San Jose/Silicon Valley							
San Luis Obispo	Y/Y	N	Y	Y	Y	Board Composition	Conditional
Santa Ana							
Santa Barbara	Y/Y	N	Y	Y	Y	Board Composition	Conditional
Santa Cruz	Y/Y	N	Y	Y	Y	Board Composition	Conditional
SELACO	Y/Y	N	Y	Y	Y	Board Composition	Conditional
Solano							
Sonoma	Y/Y	N	Y	Y	Y		Approve
South Bay							
Stanislaus							
Tulare							
Ventura							
Verdugo	Y/Y	Y	N/A	Y	Y		Approve
Yolo							

Item 5. Updates and Discussion

d. MOU and Cost Sharing Policy and Guidance

WIOA PHASE II MEMORANDUMS OF UNDERSTANDING

GENERAL INSTRUCTIONS

The attached directive is being issued in draft to give the Workforce Development Community the opportunity to review and comment prior to final issuance.

Submit any comments by email or mail no later than **September 29, 2016**.

All comments received within the comment period will be considered before issuing the final directive. Commenters will not be responded to individually. Rather, a summary of comments will be released with the final directive.

Comments received after the specified due date will not be considered.

Email Morgan.Lardizabal@edd.ca.gov

Include "Draft Directive Comments" in the email subject line.

Mail Employment Development Department
Attn.: Policy Unit
P.O. Box 826880 / MIC 50
Sacramento, CA 94280-0001

WIOA PHASE II MEMORANDUMS OF UNDERSTANDING

EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures regarding *Workforce Innovation and Opportunity Act* (WIOA) Phase II Memorandums of Understanding (MOU). This policy applies to all Local Workforce Development Boards (Local Board) and America’s Job Centers of California SM (AJCC) required partners, and is effective immediately.

This policy contains some state-imposed requirements. All state-imposed requirements are indicated by ***bold, italic*** type.

Retain this directive until further notice.

REFERENCES

- WIOA (Public Law 113-128) Section 121
- Title 2 *Code of Federal Regulations* (CFR) Part 200: “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance)
- Title 34 CFR “WIOA, Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions” (WIOA Joint Final Rule)
- Workforce Services Directive WSD15-12, Subject: *WIOA Phase I Memorandums of Understanding* (January 20, 2016)

BACKGROUND

In order to establish a high quality One-Stop delivery system and enhance collaboration amongst partner programs, WIOA requires Local Boards to develop MOUs with all AJCC required partners present in their Local Workforce Development Area (Local Area). The expectation is that these MOUs serve as a functional tool as well as visionary plan for how the Local Board and AJCC partners will work together to create a unified service delivery system that best meets the needs of their shared customers.

The state chose to separate the MOU development process into two distinct phases. Phase I addressed service coordination and collaboration amongst the partners and was intended to be completed by June 30, 2016. Phase II will address how to sustain the unified system described in Phase I through the use of resource sharing and joint infrastructure cost funding and must be in place by June 30, 2017.

Please note, Phase I MOU guidance issued in WSD15-12 previously indicated that the deadline for Phase II was December 31, 2017. Upon release of the WIOA Joint Final Rule, the deadline has been changed to June 30, 2017, in order to align with the final federal regulations. This guidance was developed using the WIOA Joint Final Rule and is subject to change based upon further guidance from the U.S. Departments of Labor and Education.

POLICY AND PROCEDURES

Definitions

For purposes of this directive, the following definitions apply:

America's Job Centers of CaliforniaSM (AJCC) – The common identifier used within California for One-Stop centers and the One-Stop system.

Applicable Career Services – Services identified in WIOA Section 134(c)(2), that are delivered by the AJCC required partners as authorized under their programs. They consist of three categories: basic career services, individualized career services, and follow up services (WIOA Joint Final Rule Section 678.425).

Infrastructure Costs – Non-personnel costs that are necessary for the general operation of each comprehensive AJCC, including: rental of the facilities, utilities and maintenance, equipment (including assessment-related products and assistive technology for individuals with disabilities), technology to facilitate access to the AJCC (including technology used for the center's planning and outreach activities), and common identifier costs if decided on by the Local Board and AJCC partners (WIOA Joint Final Rule Section 678.700).

Network of Comprehensive AJCCs – A collection of comprehensive AJCCs located within a Local Area. As an alternative to developing separate budgets for each comprehensive AJCC, Local Areas with more than one comprehensive AJCC may instead develop a cross-center infrastructure budget that details the infrastructure costs aggregated across the network of comprehensive AJCCs and across co-located partners.

Other System Costs – Other costs that are agreed upon by the Local Board and all AJCC partners. The other system costs budget must include a line item for applicable career services. The budget may also include the cost of other shared services commonly provided by AJCC partners to any individual such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet needs, referrals to other AJCC partners, and business services. Shared operating costs may also include shared costs related to the Local

Board's functions. This could include costs associated with the AJCC operator, policy and oversight of AJCC partnerships and effectiveness, etc. (WIOA Joint Final Rule Section 678.760).

Proportionate Share – The share of each partner program's infrastructure costs based upon its proportionate use of the AJCC, if benefit is received from that use (WIOA Joint Final Rule Preamble page 439).

Colocated Partners – AJCC partners who have a physical presence within the center, either full time, part time, or intermittent.

Non-Colocated Partners – AJCC partners who do not have a physical presence within the center.

Cash Contributions – Cash funds used to cover a partner's proportionate share of the AJCC. Can be paid either directly from the partner or through an interagency transfer on behalf of the partner (WIOA Joint Final Rule Section 678.720).

Non-Cash Contributions – Expenditures made by one partner on behalf of the AJCC or contributions of goods or services contributed by a partner for the center's use. Contributions must be valued consistent with Uniform Guidance (WIOA Joint Final Rule Section 678.720).

Third Party In-Kind Contributions – Contributions by a non-AJCC partner to support the AJCC in general, not a specific partner; or contributions by a non-AJCC partner to an AJCC partner to support its proportionate share of the infrastructure costs. Unrestricted contributions that support the AJCC in general would lower the total amount of infrastructure costs prior to proportionate division whereas restricted contributions can be used by the intended partner(s) to lower their share of the infrastructure costs (WIOA Joint Final Rule Section 678.720).

Local Funding Mechanism – An infrastructure funding mechanism negotiated by the Local Boards with all AJCC partners for each comprehensive AJCC (WIOA Joint Final Rule Section 678.715).

State Funding Mechanism – An infrastructure funding mechanism established by the Governor and the Superintendent of Public Instruction (SPI) that is triggered if a Local Board is unable to secure completed Phase II MOUs from all AJCC required partners by the deadline (WIOA Joint Final Rule Section 678.730).

Phase II MOU Required Content

All AJCC partners who completed and signed Phase I MOUs must also complete and sign a Phase II MOU with the Local Board by June 30, 2017. Guidance outlining what information needs to be included in the Phase I MOU was provided in [WSD15-12](#). The information that needs to be included in the Phase II MOU is outlined in the table below.

Phase II MOU

June 30, 2017

Key Components	Required Information
Infrastructure Costs	<ul style="list-style-type: none">• A budget outlining the infrastructure costs for each comprehensive AJCC in the Local Area with a detailed description of what specific costs are included in each line item. Please note, if the Local Board chooses to negotiate infrastructure costs based on their network of comprehensive AJCCs, rather than center by center, then the budgets for all the comprehensive AJCCs can be compiled into one system budget.• The cost allocation methodology chosen to charge each partner in proportion to its use of the AJCC(s) and benefit received, in accordance with Uniform Guidance.• The initial proportionate share of infrastructure costs allocated to each partner based on the agreed upon cost allocation methodology, each partner’s estimated total contribution amount, and whether it will be provided through cash, non-cash (in-kind), and/or third-party in-kind contributions. This initial determination must be periodically reconciled against actual costs incurred and adjusted accordingly.• For any identified non-cash or in-kind contributions, the method by which the value of the contribution was or will be fairly evaluated, in accordance with Uniform Guidance Section 200.306.

<p>Other System Costs</p>	<ul style="list-style-type: none"> • A budget outlining other system costs for each comprehensive AJCC in the Local Area with detailed descriptions of what specific costs are included in each line item. • The budget must include a line item for “applicable career services” as well as any other shared costs agreed upon by the AJCC partners. • The cost allocation methodology agreed to by all partners to charge other system costs according to if benefit is received and their proportionate use in accordance with Uniform Guidance. • The initial proportionate share of other system costs allocated to each partner based on the agreed upon cost allocation methodology, each partner’s estimated total contribution amount, and whether it will be provided through cash, non-cash (in-kind), and/or third-party in-kind contributions. This initial determination must be periodically reconciled against actual costs incurred and adjusted accordingly. • For any identified non-cash or in-kind contributions, the method by which the value of the contribution was or will be fairly evaluated, in accordance with Uniform Guidance.
<p>Process and Development</p>	<ul style="list-style-type: none"> • The period of time in which the infrastructure and other shared costs agreement is effective. • Identification of all AJCC partners, chief elected officials, and Local Boards participating in the infrastructure and other system costs funding arrangements. • Steps the Local Board, Chief Elected Official (CEO), and AJCC partners used to reach consensus and/or an assurance that the Local Area followed guidance for the state infrastructure funding mechanism.

	<ul style="list-style-type: none"> • A description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached. • A description of the periodic modification and review process that will be used to ensure all AJCC partners continue to contribute their fair and equitable fair share of infrastructure and other system costs, including the identification of who will fulfill this responsibility. • <i>An assurance from all non-colocated partners that they agree to pay their proportionate share of infrastructure costs as soon as sufficient data are available to make such a determination.</i> • Signatures of authorized representative(s) of the Local Board, the CEO, and all AJCC partners who signed the Phase I MOU (Attachment 1).
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Infrastructure Costs

Under WIOA, each AJCC partner that carries out a program or activities within a comprehensive AJCC must use a portion of the funds available for their program and activities to help maintain the One-Stop delivery system, including proportional payment of the infrastructure costs of the AJCCs (WIOA Joint Final Rule Section 678.700).

If it has been determined that a partner is receiving benefit from the AJCC, the amount of funds each AJCC partner is required to contribute must be based on their proportionate use of the AJCC(s). When determining each partner’s proportionate share, Local Boards must remain in compliance with the federal statute authorizing each partner’s program as well as Uniform Guidance.

The only exception is that Native American programs are not required to contribute to infrastructure funding but, as a required One-Stop partner, they are encouraged to contribute. Any agreement regarding the contribution or non-contribution to infrastructure costs by Native American programs must still be recorded in the signed MOU (WIOA Section 121[h][2][D][iv]).

It is important to note, that if the Native American program partner chooses not to contribute to infrastructure costs and an AJCC identifies infrastructure costs that are allocable solely to the Native American program, those costs cannot be allocated to the remaining partners and therefore must either be removed from the center budget or paid for by an alternate source of funding.

Establishing Annual Infrastructure Costs Budgets

The infrastructure cost sharing requirement only applies to the comprehensive AJCCs identified in Phase I and does not apply to affiliate AJCCs located within the Local Area. All comprehensive and affiliate AJCCs should have been identified in the Phase I MOU(s).

Due to the fact that infrastructure costs will vary by center, specific budgets must be developed for each comprehensive AJCC. Unless the Local Board chooses to negotiate infrastructure costs based on their network of comprehensive AJCCs, rather than center by center, in which case the budgets for all comprehensive AJCCs can be compiled into one system-wide budget. Whichever method is selected, all partners must still agree to the budget and cost allocation methodology. They must also continue to meet the standard of “proportionate use and relative benefit” and comply with federal cost principles.

Although federal guidance requires that the entire MOU be reviewed and updated a minimum of every three years, the infrastructure budgets must be reviewed and updated annually as budgets will likely change from year to year.

The annual infrastructure budgets include all non-personnel costs that are necessary for the physical operation of the AJCC such as rent, utilities and maintenance, equipment, technology, and non-marketing common identifier expenses. ***Every AJCC infrastructure budget must also have an “Access and Accommodation” line item for ensuring physical and programmatic access to the AJCC by individuals with disabilities.***

The budgets must contain descriptions of the specific costs grouped under each line item. Local Boards may consolidate and/or break out line items as best fits with their individual area budgets and cost allocation methodology. Examples of costs that may fall under the above mentioned line items include, but are not limited to, the following:

- Rental of the Facilities
- Utilities and Maintenance Costs
 - Electric
 - Gas
 - Water
 - Sewer connections
 - High-speed internet connectivity
 - Telephones (landline for the center, not cell phones)
 - Facility maintenance contracts
- Equipment Costs
 - Assessment-related products
 - Assistive technology for individuals with disabilities

- Copiers
 - Fax machines
 - Computers
 - Other tangible equipment used to serve all center customers (not specific to an individual program partner)
- Technology to Facilitate Access to the AJCC Costs
 - Technology used for the center’s planning and outreach activities
 - Cost of creation and maintenance of a center website (not specific to an individual program partner) that provides outreach to customers by providing information on AJCC services and/or provides direct service access to AJCC services

Please note, this does not include data systems or case management systems specific to individual program partners.

- Common Identifier Costs (Local Option)
 - Creating new signage
 - Updating templates and materials
 - Updating electronic resources

Note: If a Local Board decides to include common identifier costs as part of the infrastructure budget, they cannot include costs associated with any sort of advertising campaign promoting the AJCC under the new common identifier (WIOA Joint Final Rule Preamble page 433).

Determining Benefit Received by Partners

Local Boards must first determine whether an AJCC partner is receiving benefit from the AJCC. If benefit is being received, the AJCC partner’s proportionate share of infrastructure costs must be calculated in accordance with Uniform Guidance and based on a reasonable cost allocation methodology, whereby infrastructure costs are charged to each partner in proportion to their use of the AJCC(s). All costs must be allowable, reasonable, necessary, and allocable (WIOA Joint Final Rule Section 678.715).

Partners who are physically colocated in the AJCC(s) (full-time or part-time) are considered to receive a direct benefit that is allocable, therefore, they must contribute their proportionate share towards infrastructure costs. Partners who are not physically colocated in the AJCC may also be receiving benefit from the AJCC system. However, that benefit still has to be clearly allocable by way of reliable data and a cost methodology that demonstrates the partner’s usage of and benefit from the center and its services.

Currently, there isn’t a statewide data tracking system that can provide accurate and reliable data for allocating the benefit received by non-colocated partners, such as the number of referrals to and from the AJCC and/or usage of AJCC based services and usage of the

comprehensive AJCCs. ***In order to remain in compliance with Uniform Guidance cost allocability rules, the requirement to contribute to infrastructure costs at this time only applies to those partners who are physically colocated in the job centers.***

The state is in the process of implementing the requisite statewide data tracking system, and once such data are available, all non-colocated partners who are receiving benefit from the job centers will also be required to contribute their proportionate share towards infrastructure costs. ***Consequently, the Phase II MOU must include an assurance from all non-colocated partners that they agree to pay their proportionate share of infrastructure costs as soon as sufficient data are available.***

However, it is important to note that non-colocated partners are still required to contribute to other system costs based on their proportionate share of applicable career services as identified in the Phase I MOU, as well as any additional line items the Local Boards and AJCC partners agree to include in the other system costs budget.

The table below outlines the above referenced requirements. Once again, this will change once a state wide system for collecting the necessary data has been established.

	Must sign both budget agreements	Must contribute to infrastructure costs	Must contribute to other system costs, including applicable career services
Partner who is colocated	Yes	Yes	Yes
Partner who is non-colocated	Yes	No	Yes

Cost Allocation Methodology

After creating an infrastructure budget for each comprehensive AJCC, or optionally, for the local network of comprehensive AJCCs as a whole, and determining if benefit is received by each partner, the Local Board must select a cost allocation methodology to identify the proportionate share of infrastructure costs each partner will be expected to contribute. Any cost allocation methodology selected must adhere to the following:

- Be consistent with the federal laws authorizing each partner’s program (including any local administrative cost requirements).
- Comply with federal cost principles in the Uniform Guidance.
- Include only costs that are allowable, reasonable, necessary, and allocable to each program partner.
- Be based on the proportionate use and if benefit is received by each partner.

Examples of cost allocation methods that may be used include, but are not limited to, the following:

- The proportion of a partner program’s occupancy percentage of the AJCC (square footage).
- The proportion of a partner program’s customers compared to all customers served by the AJCC.
- The proportion of partner program’s staff among all staff at the AJCC.
- The percentage of a partner program’s use of equipment at the AJCC.

Although issued under the Workforce Investment Act, the U.S. Department of Labor Financial Management Technical Assistance Guide (TAG) Parts I and II still serve as useful tools for an overview of appropriate cost allocation methodologies.

- [DOL Financial TAG Part I](#)
- [DOL Financial TAG Part II](#)

Cash, In-Kind, or Third-Party In-Kind Contributions

AJCC partners (or their respective state entity) may provide cash, non-cash, and third-party in-kind contributions to cover their proportionate share of infrastructure costs. If non-cash or in-kind contributions are used, they cannot include non-infrastructure costs (such as personnel), and they must be valued consistent with Uniform Guidance Section 200.306 to ensure they are fairly evaluated and meet the partner’s proportionate share (WIOA Joint Final Rule Section 678.720).

If third-party in-kind contributions are made that support the AJCC(s) as a whole (such as space), that contribution will not count toward a specific partner’s proportionate share of infrastructure. Rather, the value of the contribution will be applied to the overall infrastructure costs and thereby reduce the contribution required for all partners. When determining the use of non-cash and in-kind contributions, overall costs must be kept in mind as there must first be enough cash contributions to cover those.

Determining the Source of Funds to Pay Infrastructure Costs

When determining which funds can be used to pay infrastructure costs, AJCC partners must remain in compliance with their authorizing federal statute as well as WIOA Joint Rule Section 678.720, which provides stipulations on the types of funds certain partners are allowed to use towards their proportionate share under the local funding mechanism. These limitations include the following:

- WIOA Title I – Infrastructure costs can be paid as program and/or administrative costs.
- WIOA Title II – Infrastructure costs can only be paid from funds available for local administrative expenses or from non-federal resources that are cash, in-kind, or third-party contributions.

- WIOA Title III – As the regulations did not specify a funding source for Title III, any available funds may be utilized for infrastructure costs.
- WIOA Title IV – Infrastructure costs are paid from administrative costs.
- Career and Technical Education – Infrastructure costs must be paid from funds available for local administrative of postsecondary level programs and activities to eligible recipients, or a consortia of eligible recipients, and may be paid from funds made available by the state or non-federal resources that are cash, in-kind, or third-party contributions.
- TANF/CalWORKs – Infrastructure costs are paid only from those funds used for the provision or administration of employment and training programs.

There are no set caps on the amount or percent of overall funding an AJCC partner is responsible for contributing to fund infrastructure costs under the local funding mechanism, except that contributions from administrative costs may not exceed the amount available for administrative costs under the authorizing statute of the partner program.

Reconciliation of AJCC Partner Contributions

The Local Board is responsible for ensuring that all of the AJCC infrastructure costs are paid according to the provisions of their signed Phase II MOUs. The estimated proportionate share of costs for each partner are based on budgeted expectations. Until the actual costs are known, and the usage and benefits are calculated, each partner's true proportionate share of cost will be unknown. Therefore, all AJCC partner contributions, regardless of the type, must be reconciled on a regular basis (e.g., monthly or quarterly), comparing expenses incurred to relative benefits received. The reconciliation process is necessary in order to ensure that the proportionate share each partner program is contributing remains consistent with the cost methodology, up to date, and in compliance with the terms of the MOU. The Phase II MOU must also identify who will be responsible for this regular reconciliation.

Other One-Stop Delivery System Costs

In addition to jointly funding infrastructure costs, AJCC partners must use a portion of funds made available under their authorizing federal statute (or fairly evaluated in-kind contributions) to pay the additional costs relating to the operation of the One-Stop delivery system. These costs may be shared through cash, non-cash, or third-party in-kind contributions (WIOA Joint Rule Section 678.760).

The other system costs budget must include applicable career services, and may include any other shared services that are authorized for and commonly provided through the AJCC partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other One-Stop partners,

and business services. Shared operating costs may also include shared costs related to the Local Board's functions.

As with infrastructure costs, other system costs must be allocable according to the proportion of benefit received by each of the AJCC partner programs, consistent with the partner's authorizing federal statute and Uniform Guidance. The MOU Phase II must also include an agreed upon budget for these other costs along with the agreed upon cost sharing methodology.

Unlike infrastructure cost sharing, other system costs are not limited to the non-personnel costs of operating a comprehensive AJCC. They can include shared personnel costs such as a center receptionist or staff who are cross trained in and deliver services for multiple partner programs. Everything in the other system costs budget must be agreed to by all partners locally. There is no state funding mechanism for other system costs that will be triggered due to lack of agreement at the local level.

Establishing Annual Other System Costs Budgets

The agreed upon budget for other system costs must align with the Phase I MOU agreement that outlined shared customers and services. If it does not, then the Phase I MOU must be amended to justify the budgeted system costs and align with Phase II. Therefore, Local Boards and AJCC partners should start by reviewing their signed Phase I MOUs in order to determine what each partner previously agreed to.

The other system costs budget must be a consolidated budget that includes a line item for applicable career services. The signed Phase I MOU required identification of the career services that were applicable to each partner program. Accordingly, this budget must include each of the partner's costs for the service delivery of each applicable career service and a consolidated system budget for career services applicable to more than one partner.

The budget may also include shared services, which have been agreed upon by all partners, which are authorized for and may be commonly provided through the One-Stop system. Examples of these types of services include, but not limited to, the following:

- Initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, and referrals to other AJCC partners.

This may include costs such as technology and tools that increase integrated service delivery through the sharing of information and service delivery processes.

- Business services.

This may include costs related to a local or regional system business services team that has one or more partners on the team or has delegated a specific partner to provide business services on behalf of the system.

- AJCC partner staff cross training.

This may include any staff cross training on partner programs and eligibility identified in the Phase I MOU.

- One-Stop operator.

This may include the system role of the One-Stop operator (e.g., coordinating service providers across the One-Stop delivery system) when the role is not specific to the operation of the AJCC and/or specific partner programs, so long as the role was defined by the Local Board in the procurement process and agreed to by all AJCC partners in the MOU.

- Shared personnel (and other non-infrastructure costs) for colocated partners.

This may include center receptionists and/or center managers.

Phase II MOU Timeline

While developing the Phase II MOUs, Local Boards must remain aware of key deadlines included below:

- *January 4, 2017*
Local Boards submit progress report/timeline to Regional Advisors.
- *March 1, 2017*
Local Boards that do not anticipate reaching consensus on infrastructure costs alert State Board if state funding mechanism needs to be triggered and submit supporting documentation.
- *May 1, 2017*
Governor and SPI notifies Local Boards of AJCC partner contributions under state funding mechanism (if triggered).
- *June 30, 2017*
Local Boards submit hard copies of completed Phase II MOUs to Regional Advisors.

Local Infrastructure Funding Mechanism and State Infrastructure Funding Mechanism

Local Infrastructure Funding Mechanism

One of the hallmarks of WIOA is an increased emphasis on local control. By initiating negotiations via a local funding mechanism it allows for decision making to be kept at the local

level. However, if a Local Board is unable complete Phase II MOUs with all of its AJCC partners, then the state funding mechanism will be triggered and the Governor and SPI must then determine the required contributions of each AJCC partner. The advantages of Local Boards establishing self-negotiated, successful Phase II MOUs under the local funding mechanism include the following:

- Local autonomy – Under the local funding mechanism, decisions remain at the local level which ensures the Phase II MOUs will be tailored to each Local Area’s unique needs.
- Stronger regional partnerships – The more each partner can have a direct say in the local negotiations, the stronger the partnerships will be.
- No caps on partner contributions – Under the state funding mechanism, specific caps are set on the amount and percent of each partner’s funds that may be contributed. However, under the local funding mechanism there are no caps.
- Flexibility on funds used – Title I programs are allowed to use program funds to pay their proportionate share of the infrastructure costs when negotiating under the local funding mechanism. If the state funding mechanism is triggered, Title I programs may be required to pay their proportionate share only out of administrative costs.
- AJCC certification. Only comprehensive AJCCs where all partners have agreed to share infrastructure costs in the Phase II MOU may be certified and eligible for funding under the state funding mechanism.

California’s goal is to provide the support and guidance necessary to help all Local Areas reach agreement under the local mechanism rather than under the state funding mechanism. Local Boards are urged to seek guidance and support from the state throughout the negotiation process to help prevent the triggering of the state funding mechanism.

State Infrastructure Funding Mechanism

If a Local Board does not believe they will be able to come to an agreement regarding joint infrastructure costs with any of their AJCC partners by June 30, 2017, they must notify the State Board no later than March 1, 2017. Once the notification has been received, the Governor will initiate a process to determine each AJCC partner’s contributions to infrastructure costs in the Local Area for that program year under the state funding mechanism.

As part of their formal notification, Local Boards will be required to submit information including, but not limited to, the following:

- Infrastructure cost budget details (If a budget has been approved and accepted by Local Board and all partners, the Governor and the SPI may accept this budget).

- Local Workforce Development Plan.
- The cost allocation method or methods proposed by the partners
- The amount of total partner funds included.
- The type of each partner funds (cash, non-cash, third-party in-kind).
- Any agreed upon or proposed MOU(s).
- Summary of the meetings held to discuss Phase II MOU (including dates, materials, and a list of participating partners).
- Identification of which partners have and have not agreed upon the budget and cost allocation methodology.
- A summary of technical assistance requested and received from the state.

The state will release supplementary guidance with further information on the state funding mechanism, the appeal process, and AJCC certification at a later date. ***In order for the AJCCs in a Local Area to be certified, the Phase II MOU must have been negotiated and agreed to by all partners at the local level.***

Mid-Point Update and Final Submission

Local Boards should begin meeting with all AJCC partners involved in the Phase I MOUs immediately in order to start developing their Phase II MOUs. Any questions or concerns that arise throughout the negotiation process should be submitted to their Regional Advisor immediately so that the state can provide technical assistance and support where needed.

Mid-Point Update

To ensure progress is being made towards the Phase II June 30, 2017, deadline, each Local Board must submit a progress report/timeline outlining all completed and upcoming Phase II MOU development activities to their Regional Advisor by January 4, 2017.

The purpose of the mid-point update is to help Local Boards chart out their MOU Phase II development process, as well as to notify the state of any outstanding technical assistance needs. Similar to the Phase I MOU mid-point update, the state has developed a Sample Timeline (Attachment 2) which Local Boards can use as a tool for developing their own schedule of activities.

Final Submission

Upon completion, the Phase II MOU(s) must be signed by an authorized representative of the Local Board, CEO, and all AJCC partners who signed the Phase I MOUs. An electronic copy must then be submitted to their Regional Advisor no later than 5:00 p.m. on June 30, 2017.

Some Local Boards may be unable to obtain signature(s) of accepted Phase II MOU(s) by this deadline (e.g. due to the scheduling of the respective board meetings). If so, the Local Board

may submit an unsigned copy of the MOU(s) with an explanation for the absent signature(s) and the date by which the signed original will be sent.

ACTION

Bring this directive to the attention of staff and other relevant parties including colocated AJCC partners.

INQUIRIES

If you have any questions, contact please contact your [Regional Advisor](#).

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division

Attachments are available on the internet:

1. [AJCC Required Partners Matrix](#)
2. [Phase II MOU Sample Timeline](#)

Item 5. Updates and Discussion

e. WIOA Performance Measures Negotiations

PROGRAM YEAR 2016-17 and 2017-18 NEGOTIATED PERFORMANCE GOALS

PY 2016-17 Negotiated Performance Goals					
	Adults	Dislocated Workers	Wagner-Peyser *	Youth	
Employment Rate 2nd Quarter After Exit	65.0%	68.0%	53.7%	62.4%	Employment or Placement Rate 2nd Quarter After Exit
Employment Rate 4th Quarter After Exit	62.5%	66.5%	53.7%	64.2%	Employment or Placement Rate 4th Quarter After Exit
Median Earnings 2nd Quarter After Exit	\$4,957	\$7,308	\$4,862	BASELINE	Median Earnings
Credential Attainment within 4 Quarters After Exit	52.9%	60.0%	N / A	54.7%	Credential Attainment within 4 Quarters After Exit

PY 2017-18 Negotiated Performance Goals					
	Adults	Dislocated Workers	Wagner-Peyser *	Youth	
Employment Rate 2nd Quarter After Exit	68.0%	71.0%	56.7%	65.4%	Employment or Placement Rate 2nd Quarter After Exit
Employment Rate 4th Quarter After Exit	65.5%	69.5%	56.7%	67.2%	Employment or Placement Rate 4th Quarter After Exit
Median Earnings 2nd Quarter After Exit	\$5,157	\$7,523	\$5,062	BASELINE	Median Earnings
Credential Attainment within 4 Quarters After Exit	55.9%	63.0%	N / A	57.7%	Credential Attainment within 4 Quarters After Exit

2016-17 Local Area Negotiations	Adult				Dislocated Worker				Youth		
	2nd Qtr ER	4th Qtr ER	Median Earnings 2nd Qtr	Credential 4th Qtr	2nd Qtr ER	4th Qtr ER	Median Earnings 2nd Qtr	Credential 4th Qtr	2nd Qtr ER	4th Qtr ER	Credential 4th Qtr
Coastal Regional Planning Unit											
Santa Cruz	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
Santa Barbara	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
San Luis Obispo	62.0%	60.5%	\$ 4,957.00	52.9%	66.5%	66.5%	\$ 6,300.00	60.0%	62.4%	64.2%	54.7%
Monterey	65.0%	60.5%	\$ 5,400.00	51.0%	68.0%	66.5%	\$ 5,500.00	60.0%	62.4%	64.2%	54.7%
Middle Sierra Regional Planning Unit											
Mother Lode	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 6,400.00	60.0%	62.4%	64.2%	54.7%
Humboldt Regional Planning Unit											
Humboldt	55.0%	52.5%	\$ 4,800.00	52.9%	66.5%	65.0%	\$ 6,100.00	60.0%	62.4%	64.2%	54.7%
North State Regional Planning Unit											
NoRTEC	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 6,500.00	60.0%	62.4%	64.2%	54.7%
Capital Regional Planning Unit											
Yolo	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	63.5%	\$ 7,308.00	60.0%	56.0%	64.2%	54.7%
SETA	63.0%	60.5%	\$ 4,840.00	45.0%	68.0%	66.5%	\$ 7,308.00	55.0%	58.1%	54.1%	42.0%
North Central Consortium	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 6,800.00	60.0%	62.4%	64.2%	54.7%
Golden Sierra	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 7,308.00	48.0%	62.4%	56.5%	54.7%
East Bay Regional Planning Unit											
Richmond	67.0%	64.5%	\$ 4,683.00	52.9%	70.0%	68.5%	\$ 7,454.00	60.0%	64.4%	66.2%	54.7%
Oakland	70.0%	66.0%	\$ 5,200.00	54.0%	72.0%	70.0%	\$ 7,500.00	70.0%	64.0%	66.0%	56.0%
Contra Costa	65.0%	74.0%	\$ 5,485.00	45.0%	75.0%	75.0%	\$ 8,192.00	67.0%	62.4%	64.2%	50.0%
Alameda	65.0%	62.5%	\$ 4,975.00	62.6%	68.0%	66.5%	\$ 7,308.00	65.0%	60.5%	60.0%	45.0%
North Bay Regional Planning Unit											
Sonoma	65.0%	61.7%	\$ 4,957.00	52.9%	66.0%	66.5%	\$ 7,308.00	52.9%	62.4%	62.2%	52.0%
Solano	62.0%	58.0%	\$ 4,500.00	48.0%	64.0%	60.0%	\$ 5,800.00	55.0%	55.0%	52.5%	35.0%
Workforce Alliance of North Bay	61.0%	55.0%	\$ 4,300.00	52.9%	63.0%	58.0%	\$ 6,500.00	52.9%	62.4%	56.0%	40.0%
Mendocino	60.0%	59.0%	\$ 3,600.00	52.9%	60.0%	59.0%	\$ 4,200.00	52.9%	60.0%	55.0%	46.0%
Bay-Penninsula Regional Planning Unit											
San Jose Silicon Valley	57.5%	55.0%	\$ 5,340.00	48.0%	63.4%	62.0%	\$ 8,425.00	60.0%	62.4%	64.2%	50.0%
San Francisco	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	35.0%
San Benito	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	63.6%	63.6%	54.7%
NOVA	59.5%	58.3%	\$ 6,787.00	52.9%	66.2%	61.5%	\$ 11,803.84	60.0%	62.4%	64.2%	50.0%
San Joaquin Valley Regional Planning Unit											
Tulare	55.0%	53.0%	\$ 3,700.00	52.9%	59.0%	57.5%	\$ 5,010.00	60.0%	66.0%	65.0%	53.0%
Stanislaus	65.0%	62.5%	\$ 4,350.00	52.9%	68.0%	66.5%	\$ 5,200.00	60.0%	62.4%	64.2%	54.7%
San Joaquin Valley Regional Planning Unit	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 5,929.00	60.0%	60.8%	62.3%	54.7%
Merced	65.0%	62.5%	\$ 4,350.00	52.9%	68.0%	66.5%	\$ 5,400.00	60.0%	62.4%	64.2%	54.7%
Madera	60.0%	58.0%	\$ 4,400.00	52.9%	68.0%	66.5%	\$ 5,500.00	60.0%	62.4%	64.2%	54.7%
Kings	62.0%	59.0%	\$ 4,350.00	52.9%	68.0%	66.5%	\$ 5,500.00	60.0%	62.4%	64.2%	54.7%
Fresno	70.0%	64.0%	\$ 6,380.00	60.5%	73.0%	67.0%	\$ 7,500.00	60.5%	55.0%	53.0%	53.7%
Kern-Inyo-Mono (Employers' Training Resc	62.0%	59.0%	\$ 4,800.00	52.9%	64.0%	61.0%	\$ 5,500.00	60.0%	50.0%	50.0%	54.7%
Southern Border											
Imperial	65.0%	62.5%	\$ 4,597.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	53.0%	53.0%	50.0%
San Diego	65.0%	62.5%	\$ 4,957.00	48.0%	68.0%	66.5%	\$ 6,900.00	57.0%	62.4%	64.2%	48.0%
Los Angeles Basin											
Verdugo	65.0%	62.5%	\$ 4,657.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
South Bay	65.0%	62.5%	\$ 4,657.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
SELACO	65.0%	62.5%	\$ 4,657.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	51.8%	56.7%	60.8%
Long Beach/Gateway	67.0%	64.0%	\$ 4,957.00	52.9%	70.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	74.0%
Los Angeles County	65.0%	62.5%	\$ 4,657.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
Los Angeles City	65.0%	62.5%	\$ 4,657.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
Foothill	65.0%	62.5%	\$ 4,657.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
Orange Regional Planning Unit											
Orange	65.0%	62.5%	\$ 4,957.00	46.0%	68.0%	66.5%	\$ 7,308.00	60.0%	57.4%	59.2%	48.0%
Anaheim	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%
Santa Ana	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 7,308.00	45.0%	62.4%	64.2%	54.7%
Inland Empire Regional Planning Unit											
Riverside County	60.0%	57.5%	\$ 4,500.00	52.9%	63.0%	61.5%	\$ 5,500.00	60.0%	54.0%	55.8%	54.7%
San Bernardino	57.5%	56.5%	\$ 4,600.00	52.9%	59.0%	57.5%	\$ 5,650.00	60.0%	62.4%	61.2%	54.7%
Ventura Regional Planning Unit											
Ventura	58.0%	58.0%	\$ 4,500.00	51.5%	68.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	54.7%

2017-18 Local Area Negotiations

	Adult				Dislocated Worker				Youth		
	2nd Qtr ER	4th Qtr ER	Median Earnings 2nd Qtr	Credential 4th Qtr	2nd Qtr ER	4th Qtr ER	Median Earnings 2nd Qtr	Credential 4th Qtr	2nd Qtr ER	4th Qtr ER	Credential 4th Qtr
Coastal Regional Planning Unit											
Santa Cruz	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
Santa Barbara	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
San Luis Obispo	64.5%	63.0%	\$ 5,157.00	55.9%	68.5%	69.5%	\$ 6,505.00	63.0%	65.4%	67.2%	57.7%
Monterey	68.0%	65.5%	\$ 5,600.00	54.0%	71.0%	69.5%	\$ 5,700.00	63.0%	65.4%	67.2%	57.7%
Middle Sierra Regional Planning Unit											
Mother Lode	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 6,600.00	63.0%	65.4%	67.2%	57.7%
Humboldt Regional Planning Unit											
Humboldt	56.0%	53.5%	\$ 5,100.00	55.9%	68.0%	66.5%	\$ 6,300.00	63.0%	63.0%	65.0%	56.0%
North State Regional Planning Unit											
NORTEC	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 6,760.00	63.0%	65.4%	67.2%	57.7%
Capital Regional Planning Unit											
Yolo	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	58.0%	67.2%	57.5%
SETA	65.0%	62.5%	\$ 4,840.00	45.0%	68.0%	66.5%	\$ 7,308.00	60.0%	58.1%	54.1%	55.0%
North Central Consortium	68.0%	65.6%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 6,900.00	63.0%	65.4%	67.2%	57.7%
Golden Sierra	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	67.2%	\$ 7,523.00	54.4%	65.4%	67.2%	57.7%
East Bay Regional Planning Unit											
Richmond	69.0%	66.5%	\$ 4,777.00	55.9%	72.0%	70.5%	\$ 7,903.00	63.0%	54.0%	68.2%	57.7%
Oakland	70.0%	66.0%	\$ 5,200.00	56.0%	72.0%	70.0%	\$ 7,700.00	70.0%	66.0%	68.0%	58.0%
Contra Costa	68.0%	75.6%	\$ 5,585.00	45.0%	77.0%	77.0%	\$ 8,300.00	69.0%	65.4%	67.2%	50.0%
Alameda	65.5%	63.0%	\$ 5,157.00	63.0%	71.0%	69.5%	\$ 7,523.00	66.0%	61.0%	61.0%	47.0%
North Bay Regional Planning Unit											
Sonoma	68.0%	61.7%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	52.9%	65.4%	67.2%	53.0%
Solano	65.0%	62.5%	\$ 4,957.00	52.9%	68.0%	66.5%	\$ 6,500.00	60.0%	62.4%	55.0%	33.0%
Workforce Alliance of North Bay	61.0%	55.0%	\$ 4,300.00	52.9%	63.0%	58.0%	\$ 6,600.00	52.9%	62.4%	56.0%	42.0%
Mendocino	63.0%	62.0%	\$ 3,800.00	53.0%	65.0%	64.0%	\$ 4,400.00	53.0%	63.0%	58.0%	49.0%
Bay-Penninsula Regional Planning Unit											
San Jose Silicon Valley	58.0%	55.0%	\$ 5,550.00	48.0%	64.0%	62.0%	\$ 8,425.00	60.0%	62.4%	64.2%	52.0%
San Francisco	68.0%	65.5%	\$ 5,157.00	52.9%	71.0%	69.5%	\$ 7,523.00	60.0%	62.4%	64.2%	45.0%
San Benito	65.5%	65.5%	\$ 5,157.00	55.9%	69.0%	69.5%	\$ 7,308.00	63.0%	64.0%	65.0%	55.0%
NOVA	59.5%	58.3%	\$ 6,787.00	55.9%	66.2%	61.5%	\$ 11,803.00	60.0%	62.4%	64.2%	52.0%
San Joaquin Valley Regional Planning Unit											
Tulare	57.0%	55.0%	\$ 3,800.00	55.9%	61.0%	59.5%	\$ 5,160.00	63.0%	69.0%	67.0%	57.7%
Stanislaus	68.0%	65.5%	\$ 4,400.00	55.9%	71.0%	69.5%	\$ 5,356.00	63.0%	65.4%	67.2%	57.4%
San Joaquin Valley Regional Planning	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 6,107.00	63.0%	63.8%	65.2%	57.7%
Merced	68.0%	65.5%	\$ 4,400.00	55.9%	71.0%	69.5%	\$ 5,550.00	63.0%	65.4%	67.2%	57.4%
Madera	63.0%	61.0%	\$ 4,532.00	55.9%	71.0%	69.5%	\$ 5,665.00	63.0%	65.4%	67.2%	57.7%
Kings	65.0%	65.5%	\$ 4,480.00	55.9%	71.0%	69.5%	\$ 5,665.00	63.0%	65.4%	67.2%	57.7%
Fresno	71.5%	65.5%	\$ 6,500.00	62.0%	74.5%	70.0%	\$ 7,725.00	63.0%	58.0%	56.0%	57.0%
Kern-Inyo-Mono (Employers' Training	63.0%	61.0%	\$ 4,944.00	55.9%	65.0%	63.0%	\$ 5,665.00	63.0%	52.0%	52.0%	56.0%
Southern Border											
Imperial	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	56.0%	56.0%	53.0%
San Diego	68.0%	65.5%	\$ 5,157.00	49.0%	71.0%	69.5%	\$ 7,100.00	60.0%	65.4%	67.2%	50.0%
Los Angeles Basin											
Verdugo	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
South Bay	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
SELACO	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
Long Beach/Gateway	67.0%	64.0%	\$ 4,957.00	52.9%	70.0%	66.5%	\$ 7,308.00	60.0%	62.4%	64.2%	74.0%
Los Angeles County	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	54.4%	67.2%	63.8%
Los Angeles City	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
Foothill	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
Orange Regional Planning Unit											
Orange	68.0%	65.5%	\$ 5,157.00	48.0%	71.0%	69.5%	\$ 7,523.00	63.0%	60.4%	62.2%	48.0%
Anaheim	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%
Santa Ana	68.0%	65.5%	\$ 5,157.00	55.9%	71.0%	69.5%	\$ 7,523.00	48.0%	65.4%	67.2%	57.7%
Inland Empire Regional Planning Unit											
Riverside County	63.0%	60.5%	\$ 4,600.00	55.9%	66.0%	64.5%	\$ 5,715.00	63.0%	57.0%	58.8%	57.7%
San Bernardino	59.5%	57.5%	\$ 4,750.00	55.9%	60.0%	58.5%	\$ 5,850.00	63.0%	65.4%	64.2%	57.7%
Ventura Regional Planning Unit											
Ventura	60.0%	60.0%	\$ 4,800.00	53.0%	71.0%	69.5%	\$ 7,523.00	63.0%	65.4%	67.2%	57.7%

Item 5. Updates and Discussion

f. WIOA Employer Measures

Serving Employers Effectively

Employer Effectiveness Measures in the
Workforce Innovation and Opportunity Act

Proposed Employer Effectiveness Measures

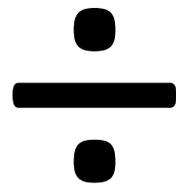
- California must choose two of the three possible measures for employer effectiveness:
 1. An **employee retention rate**, measured by using wage records to identify whether or not a participant matched the same Federal employer identification number (FEIN) in the 2nd and 4th quarters:
 2. A **repeat business measure**, measured by comparing the total number of establishments that received a service or, if it is an ongoing activity, are continuing to receive a service or other assistance during the reporting period, and that utilized a service anytime within the previous three years, against the number unique establishments that received a service previously in the last three years; and
 3. An **employer penetration rate**, measured by comparing the total number of establishments that received a service or, if it is an ongoing activity, are continuing to receive a service or other assistance during the reporting period, against the number of total establishments located within the State during the final month or quarter of the reporting period.

Methodology – Employee Retention Rate

- Tied directly to the participant individual record layout (PIRL)
- Uses SSN and quarterly wage data
- Measures employment with the same employer in the 2nd and 4th quarter following exit (PIRL #1618)
- Employer Federal Employment Identification Number (FEIN) used for verification through wage matching process

Methodology – Repeat Business Measure

Record the total number of establishments, as defined by the Bureau of Labor Statistics Quarterly Census of Earnings and Wages program, that received a service or, if it is an ongoing activity, are continuing to receive a service or other assistance during the reporting period (E1), AND who utilized a service anytime within the previous three years

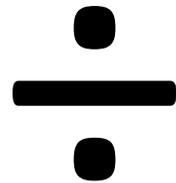


Record the number of unique business customers (establishments - as defined by the Bureau of Labor Statistics Quarterly Census of Earnings and Wages program) who have received a service previously in the last three years.



Methodology – Employer Penetration Rate

Record the total number of establishments, as defined by the Bureau of Labor Statistics Quarterly Census of Earnings and Wages program, that received a service or, if it is an ongoing activity, are continuing to receive a service or other assistance during the reporting period.



Record the total number of establishments, as defined by the Bureau of Labor Statistics Quarterly Census of Earnings and Wages program, located within the State during the final month or quarter of the reporting period.



Types of Employer Services

These are the types of employer services that count toward performance:

- Employer Information and Support Services
- Workforce Recruitment Assistance
- Engaged in Strategic Planning/Economic Development
- Accessing Untapped Labor Pools
- Training Services
- Incumbent Worker Training Services
- Rapid Response/Business Downsizing Assistance
- Planning Layoff Assistance

How we might do the work?

- Local areas work regionally to identify, collect, and report data
- Work with regions to develop a survey methodology
- Employ available management information systems (ie; CalJOIBS)

What else might we measure to assess services to employers?

- Survey customer satisfaction
- ??????