

**California Workforce Investment Board
Meeting Summary
Tuesday, February 15, 2011**

The California Workforce Investment Board meeting was held from 1:00 pm to 4:00 pm at the Four Points by Sheraton in Sacramento, CA.

The following members were present:

Marty Morgenstern, Secretary of the Labor and Workforce Development Agency
Barbara Halsey, Executive Director of the California Workforce Investment Board
Jamil Dada, Chair
Douglas Sale
Gay Plair Cobb representing Assembly Member Sandre Swanson
Debra Jones Representing Tom Torlakson
Jeremy Smith representing Bob Balgenorth
Peter Barth representing Diana S. Dooley
Ken Burt, California Federation of Teachers
Willie Washington, California Manufacturers & Technology Association
Doug Hoffner, Labor and Workforce Development Agency
Barry Sedlik, California Business Ventures
Richard Rubin, Richard A. Rubin Associates
Audrey Taylor, Chabin Concepts Inc.
Faye Huang, Asian Pacific Consulting
Victor Franco, NBC/Telemundo 52 – Los Angeles
Pete Parra, Parra Family Foundation
Peter Cooper representing Art Pulaski, California Labor Federation, AFL-CIO
Tim Rainey representing Art Pulaski, California Labor Federation, AFL-CIO

Members Absent:

Dale Bonner, Business, Transportation and Housing Agency
Honorable Wilmer Amino Carter, Assembly Member
Louis Franchimon, Napa Solano Buildings Trades Council
Pam Harris, Employment Development Department
Kathleen Milnes, Entertainment Economy Institute
Elvin W. Moon, E.W. Moon, Inc., Infrastructure Group
Honorable Miguel Pulido, City of Santa Ana
Arturo Rodriguez, United Farm Workers of America, AFL-CIO

1. Welcome and Opening Remarks

Mr. Dada opened the meeting, introduced the new Labor Secretary, Marty Morgenstern, and also Carol Padovan, Federal Project Officer of the Department of Labor, Employment and Training Administration, Region 6 in San Francisco. He also asked the Board members to introduce themselves and their affiliation. He encouraged members of the public to participate in the discussion.

2. Update – Labor and Workforce Development Agency Report

Secretary Morgenstern provided a brief summary on his transition of the Administration and its focus on passing a budget being the main focus of the administration. He emphasized that training programs should be for jobs and that growth in industry is important to our economy.

3. Update – Executive Director’s Report

Mr. Dada announced Ms. Halsey’s departure as Executive Director of the Workforce Investment Board and thanked her for her work and contributions. She has taken a position with the California Workforce Association. Douglas Sale will be the new contact point and Acting Executive Director. Ms. Halsey gave an overview of the Board’s work and initiatives being implemented as a result of the Board adopting the sector strategies framework.

Employment Development Department (EDD) Report

Mr. Petrie provided an update of their efforts to replace the CalJobs and the JTA system. The vendor, Geo Solutions, already has a presence in the state with local areas as well as in other states as a statewide system. Full implementation is expected on January 1, 2012.

He also updated the members on the American Recovery and Reinvestment Act (ARRA) expenditure levels. These funds expire on June 30, 2011 and must be spent, just not obligated. There are some concerns about the level of expenditure for the 25% and 15% funds. EDD has been in ongoing consultation with the Department of Labor’s Employment and Training Administration at the regional office in San Francisco and has provided technical assistance to local areas and grantees, and where necessary has asked for corrective action plans.

He discussed the option of de-obligating 25% funds from local areas that seem to have significant challenges in spending that money, and will reallocate to local areas that are achieving higher rates of expenditures. EDD has been in ongoing conversations with 15% grantees and is looking at many of the same mitigation strategies.

A member asked how much money is in question. Mr. Petrie stated that for the 25% funds, \$55,476,728 was allocated and \$31,733,832 has been spent. He also stated that he can provide the Board with LWIB formula information and 15% funds. There is a total of \$125-150 million unspent out of \$588 million. LWIBs have until June 30, 2011 to spend the funds, not just to have them obligated.

A member asked what the actual number of people served is, not just percentages. What is the actual number of jobs created, what are the numbers of jobs by occupational category? He will make a motion to request the information from EDD so the Board can get up-to-date statistics.

Mr. Petrie responded by briefly discussing the allowable uses of WIA and ARRA funding. He also pointed out that it is also very difficult for the Labor Market Information Division (LMID) to track which job might have been created by an ARRA dollar; but it can identify net gains or losses of jobs.

A member stated that there are a lot of questions around ARRA funding as well as 25% and 15% funds. Is there any way to accelerate and spend this money so we don't have to send any money back to Washington and added that she would like to see a timeline of the actions mentioned, looking for more details. The member asked if there was any role for the board to take.

Mr. Petrie responded by discussing EDD budget authority and constraints and he is already trying to de-obligate and re-obligate dollars based on existing frameworks.

Chair Report

Mr. Dada provided an update from his trips to Washington, D.C and efforts to educate new members of Congress on WIA and the value of our system. He also spoke of the different scenarios based on the Continuing Resolution from the Appropriations Committee calling for \$5 billion in cuts to the Department of Labor, with all WIA funding eliminated.

4. Action:

a. Approval of December 16, 2010 State Board Meeting Summary

Mr. Dada introduced the action item to accept the meeting summary. Mr. Sedlik made a motion to approve the summary, Mr. Sale seconded the motion and it was approved unanimously.

b. Approval of 5 Local Workforce Investment Boards to Receive Full Certification

Mr. Patterson provided a summary of the action item and the materials presented in the agenda packet. After a brief question and answer period Mr. Parra moved to approve the Action Item. Mr. Franco seconded the motion and the motion was approved. There was one recusal from a member representing the Oakland WIB.

Motions by Board Members

A member made a formal motion based on earlier discussions regarding ARRA expenditures and available data. It requests from EDD as follows:

Part 1:

On a regular basis, all data at its disposal that will give hard numbers on ARRA funding within its control. This should include:

- Number of jobs created thru said funding
- Number of jobs replacing jobs, not new jobs
- Number of people who have gone into training – by number, not percentage.

The jobs should be broken down by: health, electricians, public safety, etc.

Part 2:

As soon as possible, if it can be determined, actual dollar amount left of 15%, 25%, and ARRA categories. If not available, that can be an answer.

Part 3:

A formal opinion as to whether or not we can accelerate a process by which all funds in our control can be expended by June 30, 2011 so we're not caught in a situation where the news says, "State of California has to give money back to the Feds". Can we consolidate process by which dollars are expended effectively?

Mr. Burt seconded the motion.

Mr. Washington clarified that EDD is only to report those funds for which they are responsible, not *statewide* ARRA funds.

A member stated that she would like a better understanding of how the funds are flowing regarding the negotiated performance levels with the LWIBs. The percentages are really good, but it would be good to understand how they're really working. Additionally, regarding unspent ARRA funds, she would like to know more about reallocating those funds and how LWIBs can spend that money in a short timeframe.

Mr. Parra and Ms. Taylor seconded the motion. The motion was approved unanimously.

Mr. Dada reviewed his earlier discussion about the issues and problems in Washington, DC. He added that he is a big proponent of some kind of certification or branding of a statewide system. He also noted that WIA states that LWIBs should be business lead because private business is what creates jobs. He will be on the phone calling people and collecting letters from LWIBs. He also urged business leaders to contact members of Congress.

A member made a motion to write a letter on behalf of the State Board in support of WIA. Ms. Halsey noted that CWA is already working with member boards to make sure letters are written in support of WIA. Mr. Hoffner, representing Secretary Morgenstern, said that the Secretary would handle any letter at the State level. Mr. Parra suggested to also have local boards provide input regarding the campaign, and can look to businesses to play an active role.

5. Presentation: NEXT 10 Report *Many Shades of Green 2011* and Regional Industry Cluster of Opportunities Grantees Progress Update,
John Melville, Vice President, Collaborative Economics, Inc

Mr. Dada introduced John Melville, who gave an overview of the Next 10's report entitled *Many Shades of Green 2011*. A link to the report and presentation is provided on the State Board's website at www.cwib.ca.gov

A member noted that procurement has to be a major part of "green" efforts. Is there any data available so the Board can see how procurement is taking shape? Secondly, regarding public policy and request for proposals (RFP) s, do they include an expectation of green practices, is there data regarding that?

Mr. Melville responded that this approach is being talked about at the State level, but needs to be implemented further. The Regional Clusters of Opportunity Grant RFPs ask for regional cooperation, and they are a model which sets the standard that we can no longer work in silos. RFPs can build in requirements which produce better partnerships and help people be ready to make connections.

A member asked if there is an opportunity to secure data regarding RFPs and procurements of this nature. Ms. Halsey responded by saying that it would be appropriate to look at the GCJC because they have critical agencies that are setting up incentive programs. They can investigate. He also stated that he sees one impediment which is how State and local regulations prohibit the expansion of the green economy, and that overlapping regulations at state and local levels cause a lot of frustration for those wishing to jump into green economy. He asked, along with procurement policies, what current regulations are impediments to green economy?

Mr. Melville stated that in his experience, the problem for businesses is mostly not understanding what gets in the way, like codes. Codes can get very complicated at the local level. For example, a fire marshal might not really understand that solar panels are safe. Perhaps there needs to be continuing education for fire marshals? He stated there are really no strong anti-green regulations; it's just that people haven't thought about certain things, like the inspection process. As these things come up, localities are forced to deal with it and that causes delays. Those delays greatly affect solar installers already working on very thin margins, as an example.

He pointed out that people are finding ways of doing their work within the existing framework of regulations. We need to find those people and share their ways of working within the frameworks. These challenges can't be unsolvable – it does, however, require work at the local level and not ideological gamesmanship at other levels. Business, labor, and government need to work together.

A member suggested that states are looking at more creative ways of engaging private/public partnerships. He asked if Mr. Melville could identify ways we can investigate to be creative and put jobs in the green economy, which can multiply even faster than what we're currently doing.

Mr. Melville pointed out that there are already tools in place for finding these opportunities, but there are ways to improve how we use them to leverage more resources. The U.S. Department of Energy innovation grants were given to companies, but now they're looking into using consortia, and bringing down the cost of permitting. A leader in the conversation about permitting is SolarTech. California has a full toolbox, but we have to learn to use it better, there are more ways of stimulating investment.

A member commented that yes, we have tools in our toolbox but execution is the challenge. Some local areas are better prepared than others, and that challenges the State Board. It would be great if people in every community could understand what those tools are. We have a wonderful book [Business Services Catalog] and we need to get that message out to businesses. How does a business access those tools – whether it is a farmer or a huge corporation? It is our network that can help those businesses, there's no other network in the state that can help deploy this information, especially working at the city level and local staff. Execution is the key. The Business Services Catalog is available on the State Board website at www.cwib.ca.gov.

6. Information Update:

a. Quarterly Update of Local Workforce Investment Board Composition

b. Quarterly Update of Local Performance, Program Year 2010 1st Quarter (July 2010 – Sept 2010)

Ms. Halsey gave an overview of the local workforce investment board composition data, stating that it is a trending document.

After some questions members again stated that they want to see performance data with actual numbers of people served. Ms. Halsey summarized by stating that the Issues and Policies Committee can dig deeper and refine the data for presentation to the full Board. Mr. Rubin reiterated the importance of this information.

7. Update – Committee and Industry Council Reports

The Committee Chairs provided verbal updates. The Committee's written report is included as a part of the agenda packet.

8. Public Comment

Maureen White from the California Community Colleges acknowledged Ms. Taylor, Mr. Rubin, and Mr. Petrie for their discussions regarding ARRA funding. She has written grant requests for the Sacramento Employment and Training Agency. Ms. White asked where the rest of the ARRA funds are and what kind of criteria will be used, and how are the rest of the ARRA funds going to be dispersed? There are vocational schools that train people in excellent fields that could use some of that funding.

Also, career professional are losing jobs. Some are getting trained and they need more money. If extra money can be given to these people that would be great.

Her other comment is about communication and publicity out in the field. How are you communicating with human resources professionals? These are wonderful people who are gatekeepers to hiring, training, educating, and now they are also laid off. They are good people who care about their employees.

Mr. Nick Sommerfield, Chair of the Lake County One-Stop Center also submitted a public comment. He stated that his Board of Directors asked him to comment on their behalf. He noted that the current process calls for public notices, and he showed the public notice to the State Board announcing comments were welcome regarding Lake County's request to move from the North Central Counties Consortium (NCCC) to the Napa County Workforce Investment Area, and which appeared on the Napa Workforce Investment Area website. He stated that not many people in Lake County go to that specific website, so public comments *not* in support of the move were very few but significant.

He identified several local entities that do not support the application. Ms. Halsey clarified that the issue will be heard by Issues and Policies Committee on February 24, 2011.

Carol West also provided public comment. She asked the State Board to look at community health workers as a valuable resource.

9. Other Business

There was no further business, the meeting was adjourned.