



**CALIFORNIA WORKFORCE INVESTMENT BOARD
ISSUES AND POLICY SPECIAL COMMITTEE
MEETING NOTICE**



**August 16, 2010
1:00 p.m. to 4:00 p.m.**

**Covell Building
777 12th Street, Suite 200
Sacramento, CA 95814**

Arnold
Schwarzenegger
Governor

Barbara Halsey
Executive Director

Teleconference Information

This meeting will be conducted at the physical location above and can also be joined online by clicking [here](#)

Meeting password: 081610

Call-in toll-free number (Verizon): 1-866-746-2471 (US)

Attendee access code: 780 903 6

Mission Statement

“Our mission is to provide advice, counsel and recommendations to the full California Workforce Investment Board that improve Local Workforce Investment Boards’ ability to provide world-class services to constituents; and to provide overall strategic recommendations to the full Board in identifying the most critical priorities.”

AGENDA

- I. Welcome and Opening Remarks**
- II. Information Presentation**
 - **Demonstration of Dashboard by FutureWork Systems**
- III. Action Items**
 - **Approval of July 29, 2010 Meeting Summary**
 - **Approval of Incumbent Worker Training Waiver Workgroup Guidance**

Policy guidance for implementation of the Incumbent Worker Training Waiver by Local Workforce Investment Boards.

IV. Discussion

- **High Concentration of Youth Grant Policy**

A continued discussion on the eligibility criteria for local workforce investment boards to apply for these grants.

- **Exemplary Performance Definition**

A continued discussion on redefining exemplary performance of local workforce investment areas for this annual grant award.

- **Strategic Planning – Next Steps for the Committee**

V. Public Comment

VI. 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 Committee to provide an opportunity for interested parties to speak at the public meetings, public comment may be limited. Written comments provided to the Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply. Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Meeting materials will be available for the public at the physical meeting location and will also be available online. Please visit the California Workforce Investment Board website at <http://www.cwib.ca.gov> or contact Daniel Patterson for additional information.

I. Welcome and Opening Remarks

II. Information Presentation:

- a) Demonstration of WIA Performance Dashboard
Ken Ryan, Partner, FutureWorks Systems

III. Action Items:

- a) Approval of July 29, 2010 Meeting Summary
- b) Approval of Incumbent Worker Training Waiver Workgroup
Policy Guidance

Introduction to FutureWork Systems

Company Background

FutureWork Systems is a software development company built from a successful merger between FutureWorks One-Stop Centers and a software development firm. The company provides information technology tools and services based on an application service provider model to workforce development professionals across the nation in support of US Department of Labor initiatives.

The company launched in 2000 as a result of a strong need in the workforce development community for more effective performance management tools and services in response to the new performance requirements created by the Workforce Investment Act of 1998.

Fulfilling a Need

In early 2000, the company launched *Workforce Performance Matters* (known to today as *Performance Matters Plus*) as a Web-based application service to help states and LWIAs manage performance data. *Workforce Performance Matters* was WIA's first performance management system to effectively address state and LWIA needs for a WIA performance management system and it brought, for the first time, the benefits of private sector decision support technology to workforce development professionals nationwide. Policy-makers and program managers now had access to performance data in ways that would facilitate effective program decision-making, finally allowing them to proactively manage for program success.

Today, *Workforce Performance Matters* has evolved to [Performance Matters Plus, version 7.0](#) and it continues to be the leading, full-featured performance management system for WIA program managers and administrators. It has also expanded to include Wagner-Peyser, Trade Act, WIRED Region performance tracking and management, creating a tool that helps the entire workforce development system.

In 2009, in response to ARRA, the FutureWork's team launched [InSite](#) to assist states interested in quarterly WIA performance tracking and reporting using the company's decision support engine. In addition, the FutureWork's team has focused heavily on incorporating ARRA performance management components into Performance Matters Plus and InSite to assist workforce development professionals effectively manage these important new performance and reporting requirements from US DOL.

Moving Forward

FutureWork Systems continues to provide technology tools and services to help workforce development professionals succeed, originally under WIA, and now to other workforce funding sources, such as Wagner Peyser. As common measures extend the reach of performance metrics and management throughout the Department of Labor's programs, FutureWork Systems rises to meet the challenge. Our mission is to continue to provide the best information technology software tools and services in a cost-effective manner to have a positive impact on communities served.

**Issues and Policies Committee
Meeting Summary
July 29, 2010**

The Issues and Policies Special Committee met on Tuesday, July 29, 2010 from 1:00 pm to 3:00 pm at the office of the California Workforce Investment Board. This meeting was held by teleconference/WebEx technology.

The following members were present:

Victor Franco, Vice Chair	Larry Fortune
Stella Premo	Audrey Taylor
Stewart Knox	Adam Peck
Barry Sedlik	

The following members were absent:

Ed Munoz, Chair
Tim Rainey
Elvin Moon
Felicia Flournoy
Richard Rubin
Faye Huang

Others in Attendance:

Linda Rogaski, CA Workforce Association
John Delmatier , Proteus, Inc.

CWIB Staff:

Barbara Halsey, Executive Director CA Workforce Investment Board
Luis Bermudez, Staff to the Committee
John Williams, Staff to the Committee
Bev Odom, Staff to the Board
Ken Quesada, Staff to the Board

I. Welcome and Opening Remarks

Victor Franco opened the meeting, welcomed members and those members of the public participating on the teleconference. He asked members to introduce themselves. He encouraged the public to participate and there would be an opportunity for them to address the Committee later in the meeting. A quorum of members was present so the action items were discussed.

II. Action Items

- **Approval of July 29, 2010 Meeting Summary**

There were no comments on the minutes. Larry Fortune moved to approved them, Stewart Knox seconded the motion. The meeting summary was approved unanimously.

- **Local Board Recertification Policy**

Ms. Halsey provided a brief overview of the action item and the options outlined in the issue paper, stating that with the upcoming recertification required by December 31, 2010, it presents an opportunity for the Committee to evaluate the issue and the potential benefits of adding additional criteria to this biennial process.

There was some discussion concerning the last recertification process and perhaps the State Board might present some policy considerations on how the local boards might be able to organize regionally and recommended a bigger discussion with some of the local partners.

A member asked if we can achieve some of these changes by modifying the local planning process. He stated the current process maximizes local flexibility, authority and control. The members decided to retain the current policy as is: Alternative 1, status quo adding the youth performance measures.

A motion was made and seconded. The motion was unanimously approved.

- **Exemplary Performance Incentive Award Policy**

Ms. Halsey again provided an introduction and explanation of the existing policy and the direction provided by Secretary Bradshaw during the last State Board meeting, asking why the current criteria is considered exemplary. A member was supportive of modifying the current policy and the goal to give a meaningful amount of money to a few LWIBs that have achieved something significant. There are some technical areas that must be evaluated to define exemplary performance. For instance, the state requested local areas to participate in the Integrated Services Delivery Project, and because of the larger number of people being enrolled in WIA, it may negatively affect their performance outcomes. A significant change could change local behavior to receive the incentive award.

There was some additional discussion of using a graduated approach and the range of incentive awards provided to local areas for the PY 2008-9: \$40,000 to as little as \$2,000 for others. Staff will develop and calculate several scenarios based on the discussion and present them for members' further deliberations at the next meeting. A member motioned to table the discussion until the next meeting and was there was a second. The motion was unanimously approved by the members present.

High Concentration of Youth

Ms. Halsey introduced and briefed the members on the topic. There were several questions about the use of the American Community Survey data and the implications for use in this award. There were concerns about the data not being gathered for political subdivisions less than 20,000 population, and if it could be disaggregated to the local workforce area boundaries.

A member motioned to defer this item to the next meeting and asked that a representative from the Labor Market Information Division be available to discuss the recommendation and respond to the question of members. This motion was seconded and unanimously approved by the members present.

ETPL Waiver Comments:

Ms. Halsey summarized the waiver request, training providers that would be affected and the members reviewed the comments received. There were no additional comments. Waiver request will be forwarded to full board for August 17 meeting. If approved, it will be sent to DOL for final approval.

III. Discussion

- Ms. Halsey provided the updates on the following items:

State Board meeting on Aug 17 in Sacramento. She provided a brief overview of the agenda items for that upcoming meeting. Secretary Bradshaw has asked Jamil Dada to act as the interim Chair for the State Board. This ensures the continuation of the Board's business that requires the Chair's signature.

Health Care Planning Grant. The State Board staff has been busy working with the Office of Statewide Health Planning to apply for a \$150,000 federal health care planning grant. This grant is initial funding to begin organizing a partnership to develop a comprehensive state health workforce plan.

The Employment and Training Administration made the announcement in September asking for collaborative efforts, led by the State Boards. It is a planning grant and demonstrates how California's planning strategy positions the state to receive future planning/implementation grants. The federal Health and Human Services Agency is asking for approximately \$150 million to support implementation of the federal health care act. There are lot of data sets to be merged and reviewed through a different lens than before, and the need to augment existing data sets.

Green Collar Jobs Council meeting on August 17. The staff are planning a panel presentation of the State Energy Sector Planning Grants and Regional Industry Clusters of Opportunity Grant to discuss how the local partnership is organizing and collaborating on this work. There will also be a discussion on Prop 23 and AB32 and discussion of the Committee's business plan for continuation of work.

Strategic Plan Extension. The Department of Labor provided a one year extension to the State Strategic Plan. Included in the plan were two new waiver requests: Use of Rapid Response Funding to provide Incumbent Worker Training and Waiver to provide Reimbursement for On-the-Job Training. Due to the expediency and local desire to use these waivers, a workgroup is being formed to develop a policy framework and guidance for these waivers. This document will be ready for review at the next Committee meeting. Adam Peck was asked to nominate a representative from CWA to this workgroup.

Summer Youth Waivers. The State Board submitted two waivers to DOL for the summer youth programs. After being posted for public comment were submitted to Secretary Bradshaw for her review and to DOL on July 12th. DOL is reviewing them now and staff will update members at the next meeting.

IV. Public Comment:

John Delmatier, Proteus, Inc. The Eligible Training Provider List Waiver Request is drawn too narrowly. There are private institutions that are accredited by Western Association of Schools and Colleges. In addition, WASC requires individual class curriculum to be approved also. The Waiver Request does not cover private institutions that are accredited. He has submitted his comment in writing to the State Board.

V. Other Business

Victor Franco thanked members for their participation and will see members at the August 16 meeting. Meeting adjourned.

ISSUE PAPER

Incumbent Worker Training Waiver Guidance

Action Requested

The Issues and Policies Committee consider adoption of the guidance developed by the Incumbent Worker Training Waiver Workgroup.

Background

On June 30, 2010 the U.S. Department of Labor (DOL), Employment and Training Administration (ETA) granted California's waiver request to permit a portion of the funds reserved for rapid response activities to be used for Incumbent Worker Training (IWT). Specifically, the State is permitted to use up to 20 percent of rapid response funds for IWT only, and only as part of a lay-off aversion strategy. All training delivered under this waiver is restricted to skill attainment activities and is effective through June 30, 2011.

Additionally, ETA extended approval for a waiver to allow Local Workforce Investment Areas (local area) to conduct IWT with local Workforce Investment Act (WIA) formula funding. Under this waiver, local areas may use up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for IWT only as part of a lay-off aversion strategy. Use of Adult funds must be restricted to serving lower income adults under this waiver. This waiver is extended through June 30, 2011.

The first waiver has yet to be implemented in California as the U.S. Department of Labor requires states to develop criteria for waiver implementation. A workgroup formed by the Issues and Policies Committee under the California Workforce Investment Board collaborated to develop policies/criteria needed to implement the first IWT waiver. This guidance may also be used by local areas to continue implementation of the extended waiver.

Benefits of Incumbent Worker Training and Lay-off Aversion:

Incumbent worker training can be an effective lay-off aversion component of a state's or region's rapid response effort. To help avert lay-offs, local areas need maximum flexibility to implement IWT in rapidly transitioning industries; driven by changing national and state policy (i.e. health care reform and climate change legislation), global competitiveness, and innovation. Small and medium sized employers in these industries require frequent workforce skills upgrading. Without customer-driven incumbent skills training, the workforce in these industries is at risk of displacement.

Lay-off aversion allows an employer to retain workers in the same position, or transition to a different position with retooled skills at a comparable wage. As a strategy, this lets workers maintain financial stability compared to the loss of income and drawing unemployment compensation if laid off. It also allows for these workers to transition to a different employer to obtain financial stability. Retaining a known reliable worker can

save employer costs associated with severance pay and reduce other costs such as an increase to an employer unemployment insurance compensation tax rates.

ETA considers a lay-off averted when:

- 1) A worker's job is saved with an existing employer that is at risk of downsizing or closing; or
- 2) A worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences no or a minimal spell of unemployment.

Definition of Incumbent Worker:

The California Workforce Investment Board approved the following definition of Incumbent Worker at its May 19, 2010 meeting:

“an employee of the business applying for incumbent worker training in accordance with the WIA.”

California's Local Workforce Investment Areas are well positioned to work with labor organizations and economic development agencies to identify employers at risk of downsizing or closure due to economic or competitive pressures. Local areas can also work with employers, worker advocates including labor organizations, and training providers, in implementing IWT to avert lay-offs. These determinations may vary depending on the local area's resources, population, business activity, the Local One Stop's connections to their business community, geography, etc.

Federal Guidance:

[Training and Employment Guidance Letter 26-09](#) instructs states and local areas to consider the following when determining the potential for lay-offs and determining the provision of IWT:

- The likelihood of future lay-offs without the training;
- The business circumstances surrounding the probable lay-off, and how the training will prevent it;
- The specific skills to be provided to the workers that will help prevent the lay-off or reduce the magnitude of a large lay-off;
- How employers will be identified, i.e. knowledge gained by contact with State and Local WIBs, Chambers of Commerce or Economic Development Councils, media, or another indicator of a company that is at risk of lay-off, particularly due to lack of a company's ability to compete because of its employee skill-base; and/or
- Any targeted industries and economic sectors.

State level guidance is meant to meet the Federal requirements and give the local system as much flexibility as possible in administering the IWT waivers. ETA plans to monitor states' use of IWT waivers to determine if IWT was delivered to avert lay-offs, as well as performance outcomes for any individual served under the waivers. Therefore, states also must report performance outcomes for any individuals served under this waiver in the [Workforce Investment Act Standardized Record Data \(WIASRD\)](#). In addition to the guidance provided in [TEGL 26-09](#) and [TEGL 30-09](#), local areas may use the following general guidelines and suggestions to document their determination that IWT was appropriate.

Identification of Employers with the Potential for Lay-offs:

- Referral or contact from local city or county economic development agencies, chambers of commerce, labor organizations, small business development agencies, or other entities.
- Through connection with employers in a proactive and regular manner to identify their business needs.
- Through strong relationships with business management and labor representatives to encourage businesses to approach local areas before lay-offs.
- Use commercial business credit information such as [Dun and Bradstreet](#).
- Identification of rapidly transitioning industries using The Employment Development Department's (EDD) [Labor Market Information Division](#) (LMID) reports, regional industry sector studies, academic studies, or other credible data information sources.

Identification of Workers in need of Training:

- Use the [Worker Adjustment and Retraining Notification Act](#) (WARN) as a way to identify not only workers *currently* in need of assistance, but to also identify workers who may need training in a struggling business *in the future*.
- Through regional and local collaborative efforts among local areas, employers, industry organizations, education and training institutions, labor organizations, community advocates, academic institutions, and other partners focused on addressing the workforce challenges of rapidly transitioning industries.
- Surveys and studies conducted by organizations or intermediaries such as the National Institute of Standards and Technology (NIST) [Manufacturing Extension Partnership](#) (MEP) may help to identify specific skill sets workers will need in order to remain employed.
- Data from other organizations including chambers of commerce, Small Business Development Centers, labor organizations, and surveys and studies commissioned by local areas.

Identification of Incumbent Worker Training Needs within Industries:

- Identify new or changing regulations that require a change in technology, software, waste reduction, energy conservation, etc.
- Identify changing skill requirements as a result of external economic or market forces, significant changes in operating processes, rapidly changing industry or occupational job requirements or emergence of new products.
- Direct communication with employers or joint labor-management committees such as joint apprenticeship training committees (JATCs).
- Use of industry recognized skills standards and curriculum
- Use the EDD LMID or other credible data industry projections to identify industry trends.

Issue Paper on High Concentrations of Youth Calculations

Prepared by:
Labor Market Information Division
Employment Development Department

July 27, 2010

Issue

Should the State update the data used in awarding the California Workforce Investment Board's (CWIB) High Concentration of Eligible Youth Grants?

Background

Barbara Halsey, CWIB Executive Director, requested that the Employment Development Department's (EDD) Labor Market Information Division (LMID) identify considerations and make recommendations regarding the possibility of updating the data that are used to award funds based on high concentrations of eligible youth. The percentages of eligible youth for each Local Workforce Investment Areas (LWIA) and the statewide average are used as a baseline for awarding these special Youth grants to LWIAs. At issue is the use of 2000 Census data which are now 10 years old.

Findings

- 1) Until the year 2000, the decennial Census included, for some households, a long form that captured the necessary demographic information to make the types of calculations specified in the Workforce Investment Act (the Act). Census 2000 was the last census that contained the long form. The Census Bureau has replaced the long form data collection with the ongoing American Community Survey (ACS); the ACS will now provide the information formerly captured by the long form. Over the past couple of years, the Census Bureau has begun to release data from the ACS. The issue of updating data for the youth grants, therefore, is very timely.

The ACS is an appropriate data set for the use of calculating various concentrations of populations such as the "high concentration of eligible youth" as defined in the Act.

The ACS produces estimates of single-year data, three-year data averages, and five-year data averages depending on population size of the geographic area. Currently, only political subdivisions (e.g., cities, counties, towns) with populations over 20,000 are captured in the ACS. The five-year data which will have full geographic coverage

are scheduled to be available in 2010. These five-year data are necessary for the calculation of LWIA-based youth concentrations.

- 2) Changes in the jurisdictional boundaries of the LWIAs have not been reflected in prior calculations of concentrations of youth data; these need to be reflected in any recalculation.
- 3) When the youth concentration data were last calculated, they were based on numbers of economically disadvantaged youth, as used in the formula allocations, rather than all eligible youth, as defined in the Act.

Recommendations

- 1) Perform calculations based on updated LWIA boundaries and definitions that include all eligible youth, not just economically disadvantaged youth.
- 2) Use the ACS to update the calculation of eligible youth concentration for each LWIA and calculate a new state average when the five-year estimates become available in 2010, *if the data are released on schedule and the calculations can be made within the timeframe of the grant award process.*
- 3) If five-year ACS data are not released in time, use the 2000 Census to update the calculation of eligible youth concentration for each LWIA and calculate a new state average.

IV. Discussion

- a) High Concentration of Youth Grant Policy
- b) Exemplary Performance Definition
- c) Strategic Planning -- Next Steps for the Committee

V. Public Comment

VI. Other Business