



**Executive Committee
Agenda Packet**

Tuesday, January 5, 2016

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

California Workforce Development Board

800 Capitol Mall, Suite 1022

Sacramento, CA 95814

(916) 657-1442

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

**Chair
Michael Rossi**

**Executive Director
Tim Rainey**



**CALIFORNIA WORKFORCE DEVELOPMENT BOARD
EXECUTIVE COMMITTEE**



MEETING NOTICE

**Tuesday, January 5, 2016
10:00 a.m. to 12:00 p.m.**

Tim Rainey
Executive Director

Michael Rossi
Chair

Edmund G. Brown, Jr.
Governor

**California Workforce Development Board
800 Capitol Mall, Suite 1022
Sacramento, CA 95814
(916) 657-1440**

**Alternate Location
Center for the Continuing Study of the California Economy
385 Homer Avenue
Palo Alto, CA 94301
(650) 321-8550**

**Bishop-Wisecarver Group
2104 Martin Way, Pittsburg, CA 94565
(888) 580-8272**

**Chancellor of California Community College Office
1102 Q Street
Sacramento, CA 95814
(916) 327-5492**

AGENDA

- 1. Welcome and Opening Remarks**
- 2. Public Comment**
- 3. Action Items**
 - a. Approve the Meeting Summary from November 4, 2015
 - b. Approve California Unified Strategic Workforce Development Plan
 - c. Approve Eligible Training Providers' Performance Measure
- 4. Updates and Discussion**
 - a. City of San Bernardino Initial Designation
 - b. Agenda for January 19th Board Meeting
- 5. Other Business**

Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn. In order for the State Board to provide an opportunity for interested parties to speak at the public meetings, public comment may be limited. Written comments provided to the Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply. Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 657-1440 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce 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 the November 4, 2015 Meeting Summary**
- b. Approve California Unified Strategic Workforce Development Plan**
- c. Approve Eligible Training Providers' Performance Measure**

**CALIFORNIA WORKFORCE DEVELOPMENT BOARD
EXECUTIVE COMMITTEE MEETING
NOVEMBER 4, 2015**

MEETING SUMMARY

1. Welcome and Opening Remarks

Chair Rossi welcomed the members and reviewed the agenda items.

Members Present:

Mike Rossi, Chair	John Brauer
Tim Rainey	Patrick Henning, Jr.
Brian McMahon	Bob Redlo
Steve Levy	Secretary David Lanier
Van Tan Quinlavin for Chancellor Brice	

Members Absent:

Cindy Chavez	Richard Rubin
Bill Camp	Jeremy Smith
Mike Gallo	Pamela Kan
Carol Zabin	

2. Public Comment

There was no public comment.

3. Action Items

a. Approve the September 1, 2015 Meeting Summary

A motion was given by Bob Redlo to approve the meeting summary, a second by Patrick Henning, Jr. All voted unanimously in favor.

b. Approve WIOA Regional Planning Units

Tim Rainey provided an overview of the action item. There are two changes to the initial maps as a result of the public comment period: Mendocino will be planning with the North Coast and San Benito will be planning with the Bay Peninsula area. Both changes were requested and supported by the local boards of each planning area.

**CALIFORNIA WORKFORCE DEVELOPMENT BOARD
EXECUTIVE COMMITTEE MEETING
NOVEMBER 4, 2015**

MEETING SUMMARY

Complete discussion was included in the agenda materials. These regional planning areas are closely aligned with the community college regions to facilitate planning and cooperation between local boards and the community colleges. Patrick Henning, Jr. offered a motion to approve the maps as they are presented. David Lanier provided a second. All voted in favor. The maps will be sent to the full board at their next regularly scheduled meeting and incorporated into the State Plan.

4. Updates and Discussion:

Slingshot

Tim provided an update on this initiative, of which a primary goal is to move the system from a locally based planning and service delivery system to a regional partnership that affects ways locally based services are delivered in support of regional economies. A meeting of all Slingshot coalitions was held in September 2015, to present their work and share practices. Three funding cohorts are planned; the first two phases are at various stages of implementation and planning, the third is planned for later this fiscal year. A total of \$6.2M has been encumbered in contracts to date. The Committee agreed that the cohorts should not be changed to add local areas to reflect those in the WIOA planning areas.

WIOA State Strategic Workforce Development Plan

Tim provided an update on the writing of the State Plan. A draft has been completed and is going through an internal review process. A series of 6 regional meetings has been scheduled to present the plan to local boards and wide variety of partners and stakeholders. The purpose is to solicit public input and build support for regional planning required by WIOA. A request was made to provide a webinar for the members of organized labor that sit on local boards.

Increasing Skills and Credentials Committee

The Committee meeting scheduled for later this day will be delayed. A meeting will be planned in the near future. Tim spoke to current work/initiatives sponsored by the State Board (pre-apprenticeship and Prop 39 projects, \$15M in funds for non-traditional apprenticeships) that begin the work of the Committee, but there is a lot to do to

**CALIFORNIA WORKFORCE DEVELOPMENT BOARD
EXECUTIVE COMMITTEE MEETING
NOVEMBER 4, 2015**

MEETING SUMMARY

determine what credentials are currently valued by employers and how to track training related placements. Previous proposed work was to identify all the credentials that are available and start looking at/evaluating these lists and programs. This approach will be presented to the Committee and ask them advise on how we go forward. A member expressed concern that this Committee has not been organized or resourced properly to carry out this work. This will be addressed during their next meeting.

Strong Workforce Task Force

Van Ton-Quinlivan presented the work and outcomes from the work of the Task Force. A copy of the Task Force report was provided to the members and briefed. She explained how the 25 recommendations were developed and vetted. She discussed how the system might move towards providing education for industry recognized credentials, not focused only on helping students transfer to 4-year schools – earn terminal degrees (AA, BA). One method is to fix the metrics used to track outcomes so they have a workforce focus by identifying classes that students come back for skills upgrades that result in increased earnings.

She discussed a recent community college effort in the IT sector. The community colleges have begun to work with temporary work agencies to understand what employers were seeking in technology workers. The schools have had great success in delivering core skills, through for credit courses, enabling the students to gain employment in that field. This type of alignment is beginning to happen sector by sector, but internal structural change is still needed on college campuses to support this type of curriculum and educational alignment.

The members had a discussion regarding: what resources/investments might be needed/made to help community colleges with programs that have large initial costs (e.g. radiological technician); how a regional structure could be built to support the type of training and curriculum revisions that support industry engagement to make the community college more demand driven/support regional business needs; what data is needed to show the success resulting from these types of fundamental shifts within the community college system.

**CALIFORNIA WORKFORCE DEVELOPMENT BOARD
EXECUTIVE COMMITTEE MEETING
NOVEMBER 4, 2015**

MEETING SUMMARY

The next step for the Task Force's work is for the Board of Governors to consider the recommendations and develop legislative and regulatory actions to implement the recommendations.

5. Other Business

There was no further discussion. Patrick Henning, Jr. offered a motion to adjourn; a second by Bob Redlo. All voted in favor. The meeting was adjourned.

Action Requested

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

Background:

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

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

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

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

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

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

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

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

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

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

State Board staff also provided briefings in Sacramento for senior EDD managers, the Department of Finance, the State Board of Education Chairman, and senior legislative staff.

Action:

We are asking that the Executive Committee approve the current draft of the plan.

Next steps:

The State Plan goes before the full State Workforce Board for action at the January 19, 2016 meeting. Substantive changes resulting from State Board member input or public input will be provided to the State Board prior to plan submittal to the U.S. Department of Labor on March 3, 2016.

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

Action Requested:

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

Background:

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

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

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

Policy Criteria:

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

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

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

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

Phase 1- Evaluate performance for WIOA funded participants:

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

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

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

Phase II – Evaluate performance for all students

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

Next Steps:

Upon review and recommendation by the Executive Committee and the State Board, new guidance will be issued to the local workforce boards and implemented.

Recommendation:

Approve the changes to the policy and forward this recommendation to the full State Board for action during its next meeting of January 19, 2016.

Item 4. Discussion/Updates

- a. **City of San Bernardino Initial Designation**
- b. **Agenda for January 19th Board Meeting**

Item 5. Other Business

Update

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

Background:

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

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

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

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

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

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

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

City Appeal and Appeal Process:

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

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

Outcome of the Appeal Process:

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

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

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



STATE OF CALIFORNIA Labor & Workforce Development Agency

GOVERNOR Edmund G. Brown Jr. • SECRETARY David Lanier

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

November 17, 2015

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

Dear Director Rainey:

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lanier', with a long horizontal stroke extending to the right.

David M. Lanier, Secretary

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