

GOVERNOR'S WORKFORCE INVESTMENT BOARD MEETING
AKA State Workforce Investment Board (SWIB)
Thursday, July 18, 2013 – 10:00 a.m.

Nevada State Capitol Building
Kenny C. Guinn Room
101 N. Carson Street
Carson City, Nevada

Alternate Location: Some members of the Board may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location:

Department of Employment, Training and Rehabilitation
Stanley P. Jones Building, Conference Room C
2800 E. St. Louis Avenue
Las Vegas, Nevada

MINUTES OF MEETING

- Present:** Luther W. Mack (Chair), Debbie Banko, Cary Brunson, Tim Crowley, Jolene Dalluhn, Jim Flemming, Gerald Gardner, Mary Beth Hartleb, Collie Hutter, Senator Ruben Kihuen, Horacio Lopez, Senator Mark Manendo, Michael McMahon, Cass Palmer, Michael Raponi, Maite Salazar, Patrick Sheets, Sarah Sommers, Kris Wells, Frank Woodbeck and Bradley Woodring
- Absent:** Jon Richard Abajjan, Councilman Bob Beers, Jo Cato, Councilman Oscar Delgado, J.J. Goicochea, Steve Hill, Assemblywoman Marilyn Kirkpatrick, Windom Kimsey, Dr. Aurangzeb Nagy, Assemblyman James Ohrenschall, Dr. Maria Sheehan, Don Snyder and Commissioner Lawrence Weekly
- Also present:** William Anderson (DETR, Chief Economist), Leandra Copeland (DETR), Dave Schmidt (DETR), Holly Balmer (NSHE), Odalys Carmona (DETR), Mark Costa (DETR, CFO), Ardell Galbreth (Workforce Connections, Executive Director), Samantha Hill-Cruz (DETR), Earl McDowell, (DETR, Deputy Administrator, Workforce Solutions Unit), Michele Monloya (Community Services Agency), Tamara Nash (State Board Liaison, DETR), Grant Nielson (ESD/DETR, Chief, Workforce Investment Support Services Unit), Dennis Perea (DETR, Deputy Director), John Thurman (Nevadaworks), Dr. Marcia Turner (Health and Medical Services Sector Council, Chair), Beth Wicks (Nevadaworks), Robert A. Whitney (Nevada Attorney General's Office), Mae Worthey (DETR) and Cy Ryan (Las Vegas Sun) Dana Pray, Chair of the Mining & Materials Sector Council

- I. WELCOME** – Chair Luther W. Mack called the meeting to order at 10:00 a.m.
- II. ROLL CALL AND CONFIRMATION OF QUORUM** – Tamara Nash took a Roll Call and confirmed when there was a quorum.
- III. VERIFICATION OF POSTING** – Tamara Nash verified the agenda for the meeting was posted in accordance with Nevada's Open Meeting Law.
- IV. INTRODUCTION OF NEW MEMBERS** – Chair Mack welcomed Ms. Egan that has served as a member of the Board for a number of years previously; but was just reappointed to an additional term.
- V. PUBLIC COMMENTS NOTICE** – Read into the record by Chair Mack:

Members of the public will be invited to speak before; however, no action may be taken on a matter during public comment until the matter itself has been included on an agenda as an item for possible action. Public comment may be limited to three minutes per person at the discretion of the chairperson.

Chair Mack asked if there were any public comments from the north or south. There were none.

- VI. DISCUSSION/POSSIBLE ACTION - APPROVAL OF THE MARCH 31, 2013 MEETING MINUTES** –

John Thurman, Nevadaworks – Pointed out a couple of minor corrections.

Those changes were noted by Tamara Nash, State Board Liaison. There was a motion and a second to approve the March 21, 2013 minutes with the minor corrections noted by John Thurman. Motion Carried.

VII. PRESENTATION – NEVADA’S ECONOMIC OUTLOOK

Leandra Copeland, Economist (Carson City) from DETR’s Research and Analysis Bureau provided the board with an update on Nevada’s Economic Outlook.

Ms. Copeland noted the slide on Key Nevada Economic Indications Consumer sentiment and consumer confidence are at levels last seen six years ago (2007). Consumers are feeling better about their present situation and feel the economic recovery is achieving upward momentum. These reading are followed as an indicator on consumer spending, which accounts for 70 percent of the US economy.

Housing starts in June were at a seasonally adjusted annual rate of 836,000, which is 10.4 percent above last year’s reading of 757,000. The home building sector is experiencing a slow recovery. Builders are still not putting up homes fast enough to satisfy buyer’s demand, so prices should continue to rise and that’ll attract more builders. Home prices and construction have moved up over the past year, supported by low mortgage rates and improved confidence in both the housing market and the economy.

An inflation measure, the consumer price index, increased 0.5 percent in June and is up 1.8 percent of the year. Most of the increase came from the jump in gasoline prices. Excluding food and energy, the core CPI was up by 1.6% OTY.

The homeownership rate represents the number of households that are occupied by owners divided by the total number of occupied households. In the west, homeownership rates tend to be lower because the region is still recovering from the housing bust. Capitalizing on the influx of families moving into the state and from families moving from ownership to renters brought on by the housing bust, investors have been quick to purchase single-family homes. The share of Nevadans who own their homes was 56.9 percent in the first quarter, down from 58.2 percent a year earlier. The rate has steadily declined since peaking in 2006.

Ms. Copeland quickly went through the list of Nevada economic indicators:

- April taxable sales are up 7.3% since last year, the 34th month of year-over growth. Of notable interest, the construction industry classification is up 113 percent.
- Gaming win is up 2.4% year-to-date. Even though gaming win is trending up, it is nowhere near 2007 levels, being close to 2 billion short of where it was at its peak. With the recent success of online gambling, we may start to see this figure grow more rapidly.
- Las Vegas set a record for visitation in 2012 with nearly 40 million visitors. 2013 numbers are trending very similar to last year, so maybe this year we can break the 40 million mark.
- Gold prices have been trending down lately. Nevada’s exports are dominated by gold (60%), so our total exports value will be affected if gold prices continue falling. Gold is off \$250 per ounce from last year. (Handy & Harman base price)

Showing how many states Nevada outperformed in terms of state gross domestic product. 2004-2007 Nevada had relatively strong growth. Then in 2008-2010 nearly all other states were performing better or declining less than us. In 2011 and 2012, out growth rate has been in the middle of the pack. In 2012 GDP growth was 1.5 percent. Not surprisingly, if this were employment growth, we would see the exact same pattern.

Ms. Copeland discussed that Nevada’s unemployment rate by education attainment clearly shows, that people with more education face lower unemployment rates. The group with a bachelor’s degree or higher have an unemployment rate of just 5.3 percent, compared to the cohort without a high school diploma. This group faces an unemployment rate of 16 percent

Job reading were 1.7 percent higher in May compared to last year. We are about 2.5 years into the recovery. We lost about 175,000 jobs over the course of the downturn, and have regained about 41,000, or close to 25 percent of the jobs back. It may seem like we are at a snail’s pace in terms of the recovery, but we are starting to see signs that the economy is gaining momentum. In 2010 to 2011 the economy grew at a pace of 0.6 percent. In 2012 it grew at 1.5 percent and in 2013 it has averaged 2.1 percent. The bottom line – we are gaining momentum.

The economy is commonly broken down into 10 major sectors, shown here. Businesses are classified into one of these sectors depending on what goods or services they provide. Nearly all sectors of Nevada’s economy have grown in 2013. Nevada’s largest industry, leisure and hospitality, added 8,500 jobs so far in 2013, TTU is up by 5,000.

Signs of renewed vigor in the recovery of the construction industry have finally begun adding jobs in the middle of last year after six years of decline. Professional/business service is the only industry that is declining. Last year this series was consistently underestimated, so that maybe occurring again. We can further pinpoint the decline the Northern Nevada, because Las Vegas is actually seeing growth in this sector.

In the third quarter of 2012, back when our homeownership rates were at their lowest, who would believe me if I told them that the actual number of jobs created in the state was over 58,000 new jobs? Remember that for all of 2012; only 17,000 net jobs were created. Well, that is a correct statement if we are looking at just gross job gains. Accounting for the 57,000 gross job losses, the net jobs in the 3rd quarter was 1,300. The way I like to look at this graph is when the dark blue line is above the dashed line, the economy is adding jobs on a net basis. When the opposite is true, the economy is losing jobs. When the lines intermingle, the economy is in a transition period or is stagnant.

The neat thing about the Business Employment Dynamics series is that we can examine where jobs are being created. Job gains can stem from either new business openings or business expansions. For example in 2013: there were 900 more jobs at new establishments than jobs lost at closing establishments. Furthermore, there were 400 more jobs at expanding establishments than at contracting establishments. If we take the 900 + 400 jobs, we get 1,300 net new jobs discussed previously.

If we can track jobs changes at opening/expanding and contracting/closing establishments, we can also count the number of *establishments* that opened, closed, expanded or contracted. In 2012: we had 300 more business births than business deaths, and 200 more business expanding than contracting.

We can even break the data down by industry. Because the construction industry is closely watched in Nevada, we chose to highlight it. One thing to notice is how long the dashed line, which represents gross job losses, was above the solid line, which represents gross job gains. Construction began contracting in 2006 and has only began adding since last year. So it declined for six straight years. In the 2012: we had 8,200 gross jobs gains in construction compared to 6,400 gross job losses for a net gain of 1,800 jobs. That is good news for the construction industry and good news for Nevada.

That concludes my presentation, and I welcome any questions at this time. Otherwise, our contact information is shown on the last slide. Thank You.

Gerald Gardner asked how is it that the job picture has been improving and initial claims for unemployment insurance are declining, but the unemployment rate increased.

Bill Anderson stated that it is best to look at the overall picture and not to place too much emphasis on one month's inputs to the unemployment rate. Back in Bill's home state of Michigan, the unemployment rate declined even though their job levels went up. It has to do with not only the dynamics of the model we use to estimate the unemployment rate, but also the dynamics of the labor force, whether people want to join the labor force or not

VIII. PRESENTATION – STATE WORKFORCE INVESTMENT BOARDS' ROLES, RESPONSIBILITIES AND COLLABORATIVE OPPORTUNITIES - Ms. Virginia Hamilton, Regional Administrator, U. S. Department of Labor

Chair Mack thanked Ms. Hamilton for the discussion on the Board's roles and responsibilities and collaborative opportunities for the future and asked her if she would consider a follow-up meeting to discuss this more in the spring. Ms. Hamilton agreed to return. (See attached document for an outline of Ms. Hamilton's presentation).

IX. REPORT/DISCUSSION – GWIB INDUSTRY SECTOR COUNCIL UPDATES

Earl McDowell – Deputy Administrator, Workforce Solutions Unit, DETR –began by providing an update on the activities of all nine GWIB Industry Sector Councils. He stated that the members of this Board will find a written report from each of the GWIB Industry Sector Council Chairs in their packet of materials for today's meeting. He explained that currently each of the sector councils are working on their 2013 Strategic Plan and a website is being developed to house information and materials for the sectors. The website should be completed in the next thirty days. Next, he elaborated on what the website will consist of, such as the meeting agendas, minutes, membership lists and any additional materials distributed at the Industry Sector Council meetings. He stated that a Chair is needed for Logistics and Operations and Jim Barbee, Director of Nevada Department of Agriculture, was recently appointed for a one-year term as Chair of the GWIB Agriculture Sector Council. He concluded by explaining that in the interest of time, only two of the industry sector council Chairs will elaborate on the written report they provided by giving the Board a verbal report, and introduced Dr.

Marcia Turner, Chair of the GWIB Health Care and Medical Services Sector Council, and Dana Pray, Chair of the GWIB Mining and Materials Sector Council.

Healthcare and Medical Services Sector Council – Dr. Marcia Turner, Vice Chancellor of Health Sciences, NSHE and Chair greeted the Board; she discussed the development of her Council’s 2013 Strategic Plan, which was ratified by her Council in May 2013. She explained that the Strategic Plan was developed by layering each of the Council’s Subcommittee Charges and Objectives. Each of the subcommittees is meeting to discuss their steps and timeline of execution for their objectives, as well as the progress and outcomes that they will be measuring. One of her Council members, Dr. John Packham, released a new edition of the Health Workforce in Nevada Study 2013 Edition, and each of the subcommittees are in the process of utilizing Dr. Packham’s data to determine its use in achieving each Subcommittee’s 2013 Strategic Plan deliverables. A “Health Business Sector Survey” will be distributed by GOED Health Care and Medical Services Industry Sector Specialist Vance Farrow, who also sits on this Council. The purpose of this survey is to determine health workforce needs for businesses in the state. A grant was subcommittee to the Robert Woods Johnson Foundation for hopeful approval of funds that will be used to improve the education of Nevada’s health care workforce. An answer to the grant application is expected early August 2013. Also, the SESP/Health Information Technology grant was recently completed where 108 incumbent Nevadan workers were training in Electronic Medical Records in preparation of the Affordable Care Act. In addition, 21 new job seekers were training to become Certified Billing/Coding Specialists. They are completing internships and already have job offers awaiting them.

Mining and Materials Sector Council –Dana Pray, Chair greeted the Board and began by explaining that her Council is very engaged and they have taken great strides in the last few months to boost their membership, particularly in areas they want to be sure to have industry representation on the Council. She said that the Council has had good response to the membership nominations made. She also said that her Council is in the process of developing their 2013 Strategic Plan and identifying occupations in need of workforce development in the Mining and Materials industry. Also, they surveyed themselves to collect data they could rank for the occupations to fill as needed by the top mining companies in Nevada. They are also looking at industry training credentials and recently established subcommittees to complete some of the work of her Council. The subcommittees will be meeting over the next two months and provide updates of their activities in support of their 2013 Strategic Plan initiatives at each of the full council meetings.

X. FOR POSSIBLE ACTION – APPROVAL OF THE GOVERNOR’S WORKFORCE INVESTMENT BOARD SECTOR COUNCIL BYLAWS Earl McDowell, Deputy

Earl McDowell – Deputy Administrator, Workforce Solutions Unit, DETR discussed the required changes to the sector council bylaws due to the passage of Assembly Bill 65 from the 2013 Legislative Session. Copy is attached.

It was moved and seconded to approve the revisions, additions and language as provided. Motion Carried.

XI. LOCAL WORKFORCE INVESTMENT BOARD REPORTS

- a. **Nevadaworks** – John Thurman, Chief Executive Officer
- b. **Workforce Connections** – Ardell Galbreth, Executive Director

Nevadaworks – John Thurman, Chief Executive Officer
See attached report.

Workforce Connections – Ardell Galbreth, Executive Director
See attached report.

XII. POSSIBLE ACTION – APPROVAL OF REVISIONS TO WORKFORCE INVESTMENT ACT STATE COMPLIANCE POLICIES

Chair Mack stated Policy 3.3 - Carry Forward, Reallocation, Re-allotment and Life of Funds has been pulled from this agenda and will be re-submitted for our review and approval at a later meeting.

Grant Nielson – Chief, Workforce investment Support Services Unit, ESD/DETR - Discussed the different sections:

a. Section 1.6 – Eligibility for Adults and Dislocated Workers

Mr. Nielson discussed the changes to this policy that were made in response to concerns raised by Councilman Beers at the previous GWIB meeting. In particular, Councilman Beers concerns centered on the lack of clarity in the definition of Military Spouse. Mr. Nielson said that Councilman Beers was worried that based on the definition, Military Spouses would not be eligible for WIA programs. Mr. Nielson clarified that the policy contained two separate issues, program eligibility and priority of service. It was pointed out that everyone must meet program

eligibility requirements, including Vets and their spouses, but that priority of service was given to Vets and their spouses. Mr. Nielson said that in order to add clarity to the policy on Military Spouse priority, section V.B.2.d. was added to ensure all Military Spouses received priority of service.

b. Section 3.1 – Allowable Costs

The changes to this policy were limited to section II which discusses transfer authority between the Adult and Dislocated Worker programs. The current policy referenced a waiver that allowed transfers up to 50% between these programs. The updated policy changed the verbiage to say that the transfers were allowed by approved waiver. The specific language was changed so that the policy did not need to be updated every time a waiver was either received or expired.

c. Section 3.8 – Transfer of Funds between Programs

The changes to this policy were limited to section II which discusses transfer authority between the Adult and Dislocated Worker programs. The current policy referenced a waiver that allowed transfers up to 50% between these programs. The updated policy changed the verbiage to say that the transfers were allowed by approved waiver. The specific language was changed so that the policy did not need to be updated every time a waiver was either received or expired.

It was suggested by Mr. Raponi that in future policy updates, that the proposed policies, along with the highlighted new language, also include strikethrough of any language that is being deleted. Mr. Nielson agreed that this was a good idea.

There was a motion and a second to approve the revisions, additions and language as provided. Motion Carried.

**XIII. Governor’s Workforce Investment Board Committee Reports
Youth Council, Maria Salazar (see attached report)**

XIV. STAFF REPORTS

- a. **Workforce Investment Act (WIA) Analysis of Expenditures** – Mark Costa, CFO, DETR
Mr. Costa referred members to the handouts and asked if there were any questions.
- b. **WIA Performance Measures/Levels** – Grant Nielson, Chief, Workforce Investment Support Services Unit, ESD/DETR
Mr. Nielson referred members to their packets, and asked if there were any questions.

XV. PUBLIC COMMENTS NOTICE – Read into the record by Chair Mack:

Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier; however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name. Each comment will be limited to three (3) minutes.

Chair Mack asked if there were any more public comments from the north or south. There were none.

XVI. ADJOURNMENT – There being no further business Chair Mack confirmed the date of the next meeting and adjourned.