

STATE OF NEVADA
GOVERNOR'S WORKFORCE INVESTMENT BOARD
Thursday, January 29, 2015 – 1:00 p.m.
Grant Sawyer State Office Building
555 E. Washington Street, #4401
Las Vegas, Nevada 89101

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:

Legislative Building
401 S. Carson Street, # 3138
Carson City, Nevada 89701

MINUTES OF MEETING

- Present:** Luther W. Mack (Chair), Debbie Banko, Councilman Bob Beers, Jo Cato, Jolene Dalluhn, Councilman Oscar Delgado (via telephone), Pam Egan, Steve Hill, Collie Hutter, Horacio Lopez, Senator Mark Manendo, Dr. Aurangzeb Nagy, Cass Palmer, Michael Raponi, Patrick Sheets, Don Soderberg, Sarah Sommers, Assemblyman Tyrone Thompson, Kris Wells, Frank Woodbeck and Bradley Woodring.
- Absent:** Tim Crowley, Mary Beth Hartleb, Assembly Speaker Marilyn Kirkpatrick, Senator Ruben Kihuen, Donald Snyder, Commissioner Lawrence Weekly and Mike Willden
- Also present:** Bill Anderson (DETR); Ray Bacon (NMA); Deandrea Ceccarelli (CSA); Jim Callahan; John Collins (NDOC); Mark Costa, Chief Financial Officer (DETR); Ryan Costella (Manufacturing Security Council); Steve Fisher (DWSS); Steve Gibson (DETR); Ardell Galbreth (Workforce Connections); Samantha Hill-Cruz (DETR); Karlene Johnson (DETR); Michelle Montagne (CSA); Kristine Nelson; Grant Nielson (DETR); Lynda Palmer (DETR); Lloyd Phillips (CSA); Lee Quick (NSHE); Debra Scott (NSBN); De Salazar (DETR); John Thurman (Nevadaworks); Robert A. Whitney (Nevada Attorney General's Office).

I. OPENING REMARKS

Chair Luther W. Mack: Called the meeting to order. He reminded members of the importance of attending each meeting in person if possible.

II. ROLL CALL - CONFIRMATION OF A QUORUM

Chair Mack: Asked that Kristine Nelson take the roll call and confirm that they had a quorum. She took the roll call and confirmed a quorum.

III. VERIFICATION OF PUBLIC NOTICE POSTING

Kristine Nelson: Confirmed that the agenda and notice concerning the Governor's Workforce Investment Board meeting taking place on January 29, 2015 was posted pursuant to Nevada's Open Meeting Law, NRS 241.020.

IV. PUBLIC COMMENTS NOTICE

Read into the record by **Chair Mack:** Members of the public are invited to comment at this time; however, no action may be taken on any matters during public comment until the matter itself has been included on

an agenda as an item for possible action. In my discretion, in the interest of time, public comments will be limited to three minutes per person.

Chair Mack: Asked if there were any public comments from Carson City, Las Vegas or on the telephone. There were none.

V. APPROVAL OF MINUTES

Chair Mack: Called for a motion to approve the October 23, 2014 draft minutes of the board as submitted.

It was moved and seconded to approve the October 23, 2014 draft minutes. Motion carried.

VI. UPDATES DISCUSSION AND INFORMATIONAL ITEMS

a. DETR Agency Report and Update

Don Soderberg, Director, Nevada Department of Employment, Training and Rehabilitation (DETR): Asked Dennis Perea to discuss current agencies' activities and for Bill Anderson to provide a report.

Dennis Perea, Deputy Director, DETR: Presented a number of ongoing initiatives. Construction companies in the state are beginning to indicate that they do not have a large enough workforce. They are holding a job fair at the governor's request on March 3 for contractors and job seekers. The Platform to Employment Program is a program that stemmed from a \$1.8 million grant to assist the long-term unemployed. The first cohort was launched in Las Vegas in October, and the first cohort in Reno will be launched on February 2. The goal is to employ those who have exhausted their unemployment benefits. They have been working with NSHE (Nevada System of Higher Education) to bring the Burning Glass platform to Nevada, which will change the way that the workforce system delivers services in the state. Some of the highlights are an insight portion, service delivery functions, and an employer module. The platform is large and will take time to implement and integrate with the current database.

Brad Woodring: Asked what is the anticipated date of the rollout. Mr. Perea responded that the labor insight piece will be available right away, but there is as yet no date for the rollout of the service delivery functions. Mr. Woodring asked if there was an anticipated marketing program. Mr. Perea said nothing is planned at this point, but they will find a way to get the word out to people.

Don Soderberg: Added that on the construction hiring event, Workforce Connection is partnering with them in Las Vegas, and their expertise has been invaluable. He also added that he has received interest from across the state regarding the event. He is keeping his fingers crossed that the event will put people to work and satisfy a workforce need.

Mike Raponi: Asked why the Burning Glass platform mentioned above by Mr. Perea was removed from use in North Nevada. He also asked if there is an interface with public users or if it was solely for use inside workforce development systems. Mr. Perea responded that it was removed from use because it was not a statewide system. The system must be used statewide to maximize the expenditure. Mr. Perea further responded that there is a self-service piece to the system, allowing job seekers to benefit from the system directly. Mr. Raponi asked whether the system supports, augments or replaces any functions from Nevada Career Information System (NCIS). Mr. Perea responded that there are some overlapping pieces with NCIS, but Mr. Anderson will perform a full review. Mr. Raponi asked Mr. Perea to explain his definition of the system as a Cadillac system. Mr. Perea responded that this system has been recognized as the flagship system for workforce development across the country.

b. DETR Economist's Presentation

William Anderson, Chief Economist, DETR, that the December labor market results for Nevada were released two days ago. He summarized the progress made in 2014 as the recovery has unfolded. The year ended with a 6.8 percent unemployment rate, down a tenth of a point from November but down from 9 percent a year ago. The jobless rate has been cut in half from its peak at the height of the recession, and this is the lowest unemployment rate since mid-2008. That compares to a national rate of about 5.6 percent. The declines in the unemployment rate, roughly 2 percentage points, have been among the highest or most pronounced in the nation over the course of 2014. Over roughly a three-year period, from February 2010 to October 2013, Nevada had the highest unemployment rate in the nation. At the end of 2014, four states had higher rates than Nevada.

They have been looking at the reasons for unemployment. Layoffs peaked at close to 120,000 individuals at the height of the recession; now these people who involuntarily lose their jobs number approximately 46,000. DETR is rolling out a variety of programs to address long-term unemployment, defined as 27-plus weeks of unemployment. That number peaked at approximately 93,000 individuals; currently the number is approximately 40,000. Prior to the recession, the number of long-term unemployed was less than 10,000.

Initial claims for unemployment peaked at approximately 35,000-36,000 and is down to approximately 15,000. As the labor force expands, more people will lose employment because of population increase. For the most part, the long-term decline in unemployment insurance claims activities seems to have run its course and will fluctuate around current levels.

Mr. Anderson pointed out that the distribution of unemployment insurance claims across industries is largely consistent with the industry size. The top five industries in terms of unemployment insurance claim activity represent approximately 60 percent of that claims activity. They also represent approximately 60 percent of total employment. It is important to identify the construction industry, which accounts for approximately 11 percent of claims; at the height of the recession the construction industry accounted for approximately 25 percent of all claims.

The best news is found in the jobs picture. The year ended with Nevada's 48th straight month of job growth, up approximately 27,300 relative to a year ago. He reminded the board that approximately 175,000 jobs were lost in the recession, of which approximately 100,000 have been regained. Expectations are that pre-recessionary levels of employment will be regained near the end of 2016.

Job loss bottomed out in 2010, and jobs have been added at an expanding pace every year since 2010. Prior to the recession, Nevada grew faster than every other state in the nation. During the recession, Nevada's job losses were more pronounced than any other state in the nation. However, beginning in 2011, lost ground began to be regained. The growth rate in 2011 of 1.2 percent was stronger than 14 other states, and the growth rate in 2012 of 1.9 percent was stronger than 24 other states. Nevada's job growth surpassed 38 other states in 2013, and in 2014, jobs are up by approximately 3.7 percent, stronger than in 48 other states. Mr. Anderson said he feels this is the best barometer of the economy pre-recession, during the recession and in recovery.

The recovery is very diversified and broad-based. Essentially every sector of the economy is contributing to job gains. Professional and business services, which includes a wide variety, added approximately 10,000 new jobs. Historical drivers such as leisure and hospitality added close to 8,000 jobs in 2014. Construction is up close to 6,000 jobs. Manufacturing is up, as well as financial activities, education and health services. Everything outside of mining is moving in a positive direction, and mining is largely holding steady. Job growth in Nevada is about double the pace of growth nationwide.

Population growth has grown 1.7 percent in 2014, the second strongest in the nation. Personal income is up in 16 of the last 17 quarters.

The bottom line is that just about every indicator suggests that Nevada continues on a moderate but diversified growth path.

Chair Mack: Asked if there were any other comments or questions, and there were none.

c. GWIB Industry Sector Council Reports, Updates and Introductions

Earl McDowell, Deputy Administrator, Workforce Solutions, DETR: Referred the board to the packets provided, which contain the quarterly report for each of the nine sectors. Each one of the sector councils has participated in the pilot program that was also done last year. He brought attention to the Logistics and Operations Sector Council. The chair received a letter from a participant from the TDL pilot program, who said having a CBLL has improved his situation. He also pointed out that Clean Energy Sector Council had an individual receive their LEED green association certification from taking the workshop provided through the pilot program.

They are awaiting performance measures from other sector councils. The industry sector councils continue to identify, address and deliver industry-specific training, workforce development initiatives and support of the economic development goals of the state.

He stated that the Workforce working unit will no longer provide administration and support for the sector councils, which will be taken over by DOED (Department of Economic Development).

James Callahan, Vice Chairman, Aerospace and Defense Sector Council: Stated that the quarterly report has been submitted and is in the packet for review. One pilot program is to take a select number of either in-progress or completed air frame and propulsion mechanics and train him or her in the art of composite material manufacture and/or repair. Composites are becoming more and more available and more utilized in the manufacture of aircraft and other aerospace vehicles. This is currently outside of the dictated requirements of Part 65 of the FAA Manual. Mr. Callahan said this is a great step forward.

Mr. Callahan brought up the fact that part of the current A&D curriculum requires an individual seeking qualification must obtain certification from a designated mechanic examiner (DME), but no DME resides in the state of Nevada. They are researching a way to approach the FAA to obtain a DME residing within the state.

Greg Carroll, CEO, FF&E Logistical; member, Logistics Operation Industry Sector Council: Said he recently found out about the pilot program for CDL drivers. He submitted the application for Daniel Anthony Aguilera, a gentleman from his company showing initiative in trying to be selected for this program. Mr. Aguilera graduated, received his CDL and wrote a thank you letter to the board dated December 1, 2015, which Mr. Carroll read into the record. Mr. Carroll pointed out that after Mr. Aguilera began the class, he began to participate in the company in a more confident and positive manner. Upon completion of his schooling, he received an immediate 25 percent raise. He is now training with a veteran driver of 25 years and will apprentice for approximately a year.

Cass Palmer: Asked the average wage pre- and post-CDL. Mr. Carroll responded that it was \$12 per hour and was increased to approximately \$16.50.

Tyrone Thompson: Asked if there was a path for Mr. Aguilera to move up and exceed his current wage. Mr. Carroll replied that he can potentially top out at \$30 an hour, and this is not necessarily on the road.

Chair Mack: Asked if there were any questions or comments, and there were none.

d. Local Workforce Investment Board Reports and Updates

Ardell Galbreth, Executive Director, Workforce Connections: Highlighted items from the report contained in the packet provided. Workforce Connections has been working on a better system for their eligible trainer providers list, working with DETR and others. Total implementation should take approximately 12 months and was started in December. He noted that Workforce Connections Workforce Development Academy was launched in September 2014, and the first cohort graduated in the last week. Individuals are able to learn new skills in a partitioned area for workforce development systems. Mr. Galbreth noted a change in the contract with the Latin Chamber Community Foundation, which allowed the transfer of clients and components to another provider with little disruption. Workforce Connections has over 50 grants from AARP to help provide gainful employment to workers over the age of 50. They are working hard to implement Workforce Innovation & Opportunity Act (WIOA). This is an ongoing process with numerous benchmarks to achieve by July 1.

Mr. Galbreth pointed out some slippage with regard to literacy and numeracy youth gains but feels confident they can achieve the expected performance measures prior to the end of the program year. The third quarter report should reflect a significant increase in the number, which is currently approximately 9 individuals shy.

Horacio Lopez: Asked who took the place of the Latin Chamber Community Foundation. Mr. Galbreth responded that it was the Academy for Human Development.

Chair Mack: Asked if there were any questions or comments, and there were none.

John Thurman, Chief Executive Officer, Nevadaworks: Highlighted some items from the report contained in the packet provided. There is a large number of training and outreach programs with current service providers, which will continue and likely increase in preparation for the WIOA. Issuance of an RFP is planned for Monday, which is a request for proposals for out-of-school youth services. There was a significant change in the WIOA in the percentage of dollars mandated to be contracted for out-of-school youth services, from 30 percent under the prior act to 75 percent under the WIOA. He noted that the Jobs for America's Graduate (JAG) Program will continue to be supported by Nevadaworks.

The WIOA emphasizes partnering more than its predecessor act. They are establishing partnerships and taking advantage of opportunities to a greater degree than before. They met with the Department of Labor on Friday to help the team establish the state's unified plan. Mr. Thurman gave kudos to a service provider JOIN, which has started collation of all service providers in the northern part of the state, currently approximately 30 individuals in attendance and approximately 18 to 20 organizations, all providing services or identifying potential efficiencies.

Mike Raponi: Asked a question about the packet inclusions. Mr. Thurman responded that there could be a problem in printing. Mr. Raponi asked about the number of clients receiving training in the north, 538, by sector council and then the number of training programs in the south of 329, whether they were looking at two different measurements or a disparity in numbers from the same measurement. Mr. Thurman said he believed the number represented in the Nevadaworks report reflect the period from July 1, 2014, through December 31, 2014, while the numbers in the southern board's report reflected only the last quarter.

Chair Mack: Asked if there were any questions or comments, and there were none.

e. DETR Chief Financial Officer's Report and Update

Mr. Mark Costa, Chief Financial Officer, DETR: Directed the members to their packet and said they should have the Workforce Investment Act Expenditure Analysis Report for the period ending September 31, 2014. This spreadsheet lists expenditures for the last three program years:

2012, 2013 and 2014. A program year is defined as the period of time a particular grant's funds are available for use or expenditure.

He noted it was the customary report for the period ending September 30, 2014 and moving from left to right the various entities or purposes for which the funds were allocated including the totals for each area and he noted specifically for program years 12, 13 and 14.

Chair Mack: Asked if there were any questions or comments, and there were none.

f. Workforce Investment System Services (WISS)

Grant Nielson, Chief, Workforce Investment Support Services, DETR: Directed the members to the packet. He specifically brought attention to a chart outlining the performance for the quarter ending September 30, 2014. At the state level, all performance measures were met or exceeded. One local performance measure was not met, addressed above by Mr. Galbreth, but Mr. Nielson reiterated that was an aberration, and they anticipate the next quarter's report will increase.

Don Soderberg: Commended Workforce Connections on their outreach to youth and said he was not overly concerned about the discrepancies in the numbers with regard to youth literacy and numeracy.

Tyrone Thompson: Asked whether the report could be subdivided to reflect attainment of a degree or certificate because of the importance of, for example, high school graduation rates. Mr. Nielson said the performance measure is from the federal court, but he will inquire about the feasibility of creating a discrete report on how degrees and certificates are broken down. Ardell Galbreth stated that the numbers could be separated at the local level, by school district, and provided.

Chair Mack: Asked if there were any questions or comments, and there were none.

g. GWIB Legislative Affairs Subcommittee Update

Frank Woodbeck, Executive Director, Nevada College Collaborative, NSHE: Reported on the inaugural meeting of the Legislative Affairs Subcommittee, held January 13, 2015. Minutes are included in the provided packets. The committee will support whatever legislative initiatives the board directs. They are working on a communications plan to receive information from the board regarding this and will act according with the board's direction. A report is expected at the April meeting regarding the legislative session and any activities. There are no specific initiatives in the current legislative session, but there may be initiatives regarding the structure, responsibilities and categories of the sector councils.

It was moved and seconded to approve the minutes of the January 13, 2015 meeting of the Legislative Affairs Subcommittee. Motion carried.

h. GWIB Strategic Planning Subcommittee Update

Dennis Perea: Noted that the formation of the subcommittee was opportune, coming at the time of implementation of the WIOA and crafting of the unified state plan. Mr. Perea had asked them to participate in the planning meeting related to the unified state plan, held last Friday, and provided highlights of the meeting. The Governor's Board must ratify a plan that could change the entire delivery system of the workforce system. The Strategic Planning Subcommittee will help translate the voluminous information for board members to make educated decisions.

Tyrone Thompson: Thanked Mr. Perea for the meeting invitation and asked whether he had brought with him the timeline sheet for reporting to the board. Mr. Perea responded that he did

have the timeline sheet but will email the information to the entire board. He reiterated the importance of focusing on the clients and particularly those with multiple barriers.

Patrick Sheets: He also stated his appreciation for the recent meeting. The communication and representation of the planning process for the unified plan to the board is going to be important in order to make proper decisions. He said it is important to stay focused on the unified plan until the timeline is met.

Collie Hutter: Stated there was a lot of work and learning ahead. She looks forward to more communication of what is going to be expected of the board, since the new act expects the board to take a leading role in setting policy for the state.

Dennis Perea: Clarified that this board has ratified state plans in the past, but the unified board is different in that it encompasses health and human service, welfare employment and training, the Department of Education Title II and adult literacy. He said that Steve Fisher, who is not currently ratified to the board but will represent Health and Human Services, has agreed to take the lead. He has high hopes for this plan to innovate the workforce system and deliver a better model, largely because of the people involved.

Don Soderberg: Stated that the reports back regarding the meeting exceeded his expectations. He said he found the focus shift to the client's perspective refreshing. He relayed that the governor was also pleased with the reports from the meeting.

Steve Hill: Stated that, coincidentally, his daughter's significant other is chief staff person for Senator Isakson and a primary author of the act and might be willing to offer help or answer questions.

i. GWIB Youth Council Update

Chair Mack: Stated that Maria Salazar has resigned from the Governor's Workforce Investment Board and the Youth Council. Mr. Mack thanked Ms. Salazar for her service and asked if any members of the Youth Council would like to provide the board with an update from the council's recent meeting. There were none.

VII. BOARD COMMENTS AND DISCUSSION

Frank Woodbeck: Pointed out that Mr. Perea was modest in his description of the Burning Glass deal. It is unique in the country to have this cooperation between workforce development and education. Because of the negotiations of DETR and NSHE and negotiating as a state, there were savings of approximately \$750,000. On the NSHE side, this program will support the veterans' resource centers, community colleges and adult learners in terms of career pathways and identification of skill attainment. Several training sessions will be scheduled with the extended staff of DETR and NSHE. Mr. Woodbeck looks forward to some positive results from this arrangement, which is initially a five-year deal.

VIII. PUBLIC COMMENTS NOTICE (SECOND)

Ray Bacon, Nevada Manufacturers Association: He, with his colleagues in Indiana and Mississippi, discovered an anomaly in the federal data regarding worker's compensation. Most of the time, the data is collected via the actual place that the employee worked; however, with temporary employees, the data is collected via the employer of record. Therefore, manufacturing employment, retail employment, and others who regularly use temporary employees, those people are under-reported. His colleague in Indiana, which is the largest manufacturing state in the country, believes the discrepancy to be approximately 10 percent. He felt this should be brought to the attention of the board.

Read into the record by **Chair Mack**: Members of the public are invited to comment at this time; however no action may be taken on any matters during public comment until the matter itself has been included on an agenda as an item for possible action. In my discretion, in the interest of time, public comment will be limited to three minutes per person.

Chair Mack: Asked if there were any public comments from Carson City, Las Vegas or on the telephone. There were none.

Debra Scott, Executive Director for Nursing, Nevada State Board of Nursing: Discussed two programs for which they have received support from Workforce Connection. The first is a gap training program for nurses who graduate and are unable to obtain employment. The second is a medic-to-LPN program at Southern Nevada College for veterans who are returning or have returned from the service. Sixteen people are ready to start that program, and their tuition is being paid through the program. She thanked the board.

IX. ADJOURNMENT

Chair Mack: Reminded board members that the next meeting is scheduled for April 23, 2015 at 1:00 p.m. in Las Vegas and televised in Carson City. He expressed appreciation for the board's comments and for the time and effort of the attendees.

The January 29, 2015 meeting was adjourned.