

STATE OF NEVADA
GOVERNOR'S WORKFORCE DEVELOPMENT BOARD

fka Governor's Workforce Investment Board (GWIB)
Thursday, October 15, 2015 – 1:00 p.m.

Department of Employment, Training and Rehabilitation
500 E. Third Street – SAO Auditorium
Carson City, NV 89713

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
2800 E. St. Louis Avenue – #C
Las Vegas, NV 89104

MINUTES OF MEETING

Board Members Present: Dr. Luther W. Mack (Chair), Debbie Banko, Dana Bennett, Jo Cato, , Steve Fisher, Shelley Hendren, Cory Hunt, Collie Hutter, Todd Koch, Horacio Lopez, Jim New, Michael Raponi, Senator Michael Roberson, Patrick Sheets, Assemblyman Stephen Silberkraus, Sarah Sommers, William Welch, and Kris Wells

Board Members Absent: Commissioner Lawrence Weekly, Mike Willden, Brad Woodring, Mac Bybee, Jolene Dalluhn Pam Egan, Councilman Oscar Delgado, Dave Ellis, and Don Soderberg

Also present: William (Bill) Anderson, Mark Costa, Michael Frechette, Ardell Galbreth, Patrick Sheets, Kristine Nelson, Dennis Perea, John Thurman, Robert A. Whitney, De Salazar, Coralie Peterson, Terrance Claggion Jr., Marcia Turner, Lee Quick, Brett Miller, Jaime Cruz; Shannon Santos, and Purite Williams

1. OPENING REMARKS

Chair Luther W. Mack called the meeting to order, welcomed participants and made announcements. Governor appointed Board Member, Max Fisher, has stepped down from the Board. Cory Hunt from the Governor's Office of Economic Development has been formally appointed to the Board

2. ROLL CALL - CONFIRMATION OF A QUORUM

Per direction from Chair Mack, **Kristine Nelson** took roll call and confirmed the presence of a quorum.

3. VERIFICATION OF PUBLIC NOTICE POSTING

Kristine Nelson affirmed that the agenda and notice of the Governor's Workforce Development Board meeting on October 15, 2015 was posted pursuant to Nevada's Open Meeting Law, NRS 241.020.

4. FIRST PUBLIC COMMENT(S) NOTICE

Chair Mack read the notice into the record as follows: "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. At my discretion, in the interest of time, public comments will be limited to three minutes per person."

Chair Mack invited comments from Carson City, Las Vegas or via telephone. There were none.

5. ***APPROVAL OF MINUTES**

Chair Mack called for a motion to approve the July 23, 2015 draft minutes of the Board as submitted.

It was moved and seconded to approve the July 23, 2015 draft minutes. Motion carried. Steve Fisher abstained from the vote, noting that he was not present at the July 23, 2015 meeting.

6. ***FOR POSSIBLE ACTION/INFORMATIONAL GWDB's STRATEGIC PLANNING SUBCOMMITTEE**

a. **FOR POSSIBLE ACTION – State Compliance Policy 1.20: One-Stop Affiliated Site Requirements**

Patrick Sheets, Chair of the GWIB Strategic Planning Subcommittee prefaced his presentation by acknowledging that agenda items 6(a) and 6(b) were listed with a designation for possible action. However, he has since concluded that additional studies need to be completed on both agenda items and recommended tabling the items until further notice. **Dennis Perea, Deputy Director DETR** provided further explanation for the recommendation. He cited the important nature of the policies, as both dictate the service delivery models that the workforce system will operate under going forward. Local boards have expressed concerns with the policies. General guidance was received from the Governor's Office with regards to career and technical education and other areas of integration between workforce and higher education. He requested a tabling of the discussion while confirmation is made that the policies comport with the Governor's Office's plans. Additional time will also allow the concerns of local boards to be addressed.

Chair Mack acknowledged these concerns and tabled agenda items 6(a) and 6(b) for future discussion.

b. **FOR POSSIBLE ACTION – State Compliance Policy 1.4: WIOA One-Stop Delivery System**

Tabled for future discussion.

c. **INFORMATIONAL – GWDB Strategic Planning Subcommittee – Statuses**

Patrick Sheets stated that Steve Fisher would be giving a presentation during the information portion, which will provide an update on the WIOA Work Group. The update will make evident that the meeting in January should be a workshop meeting, rather than a Board meeting. By February, there will be a need to adjust and approve the State's United Plan in order to meet the required timetable.

7. ***FOR POSSIBLE ACTION/INFORMATIONAL**

a. ***FOR POSSIBLE ACTION – New Industry Sector Council: Natural Resources (Combine existing Agriculture and Clean Energy Industry Sector Councils and add new component of Water Technology)**

Bill Anderson, DETR Chief Economist with the Research and Analysis Bureau and Sector Council Administrator, presented this twofold action item (Agenda Items 7(a) and 7(b)). He stated that the Governor has made it well known that one of his goals is to take steps to ensure that economic development efforts and workforce development efforts move in step with one another. The Governor stressed the need for integration and coordination in order to grow and diversify the Nevada economy. The Governor has charged Mr. Anderson to insure that the New Industry Sector Council's efforts are coordinated with those of GOED (Governor's Office of Economic Development). To this end, and in coordination with GOED, development of Natural Resources Sector Council was undertaken. The Council would be a combination of the current Clean Energy and Agricultural Sector Councils and would also include the water technologies industry.

Jim New asked whether there were concerns that the consolidation of clean energy and agriculture would water down the focus, noting that at a future time, the interests of the geothermal industry will have little in common with those of the agricultural industry. **Bill Anderson** assured that steps will be taken to prevent such a situation. He cited as an example the Manufacturing Sector Council, noting that it consists of a conglomeration of industries and has been successful in its efforts. With respect to the clean energy and agriculture combination, it is felt that this pairing is better aligned with the focus and efforts of GOED in these sectors and is a more efficient way to manage what is currently divided into nine sector councils. The proposals listed in Agenda Items 7(a) and 7(b) will reduce the total Sector Council count to seven.

Shelley Hendren inquired as to assurances that each sector be provided equal representation. **Bill Anderson** assured that there are no plans to downsize the number of Council Members.

Michael Raponi sought confirmation that Transportation would be included under Logistics, to which **Bill Anderson** replied that this question relates to Agenda Item 7(b). **Michael Raponi** offered to withdraw the question for discussion under 7(b).

It was moved and seconded by to approve combining existing Agriculture and Clean Energy Industry Sector Councils and to add new component of Water Technology. Motion carried. Mike Raponi and Jim New opposed. No abstentions.

- b. ***FOR POSSIBLE ACTION – Combine Industry Sector Councils: Manufacturing and Logistics (Combine existing Manufacturing and Logistics and Operations Industry Sector Councils).**

Bill Anderson stated that this proposal is based upon the same reasons underlying the combination of Clean Energy and Agriculture. In light of GOED’s well publicized efforts to devote its economic development resources for the manufacturing and logistics sectors, it is felt best to combine the two sectors. Considerable commonality exists between the various workforce issues both sectors face. There is no intent to reduce representation on either sector councils.

It was moved and seconded to combine existing Manufacturing and Logistics & Operations Industry Sector Councils.

Discussion: **Michael Raponi** asked for clarification that the transportation industries would be under Manufacturing and Logistics. **Bill Anderson** affirmed this and added that the two sectors are highly integrated. The Logistics Sector is often the entity providing transport for manufactured goods. A key objective for good sector strategy is the identification of upstream and downstream linkages and the facilitation of inter-industry collaboration.

Cory Hunt pointed out that the workforce needs can be very different from a training perspective for an advanced manufacturing individual versus someone at a logistics or transportation sector and that GOED acknowledges the need for separate aspects within the combined Council. GOED acknowledges that distinctly different training is required for different job classifications, but that they do exist within the same realm. To address the issue, he offered a technical suggestion, that the naming of the Council be, “Manufacturing and Logistics,” removing the slash and replacing it with, “and.” **Bill Anderson** clarified that this suggested wording has been addressed and is reflected in the title of the agenda item, that that manufacturing and logistics will be equal partners.

Jim New agreed that synergy exists between the two groups, adding that funding for pilot projects to the Council Sectors has been sparse. His concern was whether the consolidation of sectors would further diminish available resources. He stated a desire to see the industry sector councils become more consequential in the delivery of training across all the various training agencies across the state, and not only through the Workforce Investment Agencies. **Dennis Perea** explained that pilot projects of the Sector Councils are intended as a way to gain traction in areas deemed most important. There was not necessarily an intent to continue launching pilot projects. Recommendations coming from the Sector Councils to the Board will determine how the funds are spent and are affected by federal funding levels. **Shelley Hendren** recommended equal representation on the Sector Council from both logistics and manufacturing.

Michael Raponi asked whether the Sector Councils voted for and endorsed the consolidation. **Bill Anderson** confirmed that discussions have taken place with all four of the current Sector Councils that are impacted by agenda items 7(a) and 7(b), and that all were on board with the plan.

It was moved by and seconded motion carried. Mike Raponi opposed. No abstentions.

Michael Raponi asked that the minutes reflect that he is not questioning the wisdom of DETR Economic Development or GOED, but that he felt unprepared to cast a yes vote so soon after receiving the proposal.

8. UPDATES – OTHER INFORMATIONAL ITEMS

a. DETR - Agency report and Update

Dennis Perea stated that DETR has been working on the conversion of the unemployment insurance program from an old legacy system to a new system. Although originally intended to be a two-year project, the project is approaching the five-year mark. However, there have been no budget overruns. The last phase was launched at the end of September. The State longitudinal data system has come online since the last Board meeting, which means that the system will be able to generate data for policy and decision makers on the effectiveness of job programs. Other states are planning to use their longitudinal data systems to move their eligible training providers into the system to help with federal reporting.

The final phases of the Burning Glass project are reliant upon the switch to a case management system that will assist with integration. The Request for Proposals (RFP) is to be released on October 20th.

b. DETR - Vocational Rehabilitation and WIOA (Workforce Innovation and Opportunity Act)

Shelley Hendren, DETR Administrator, Rehabilitation Division, discussed the Workforce programs that fall within Vocational Rehabilitation. The mission of Vocational Rehabilitation is to remove barriers to quality employment opportunities and self-sufficiency experienced by those with disabilities. The goal is to provide competitive, integrated employment. Data from 2012 indicates that 73.1 percent of working age individuals in Nevada are employed, as opposed to only 39.2 percent of those with disabilities.

WIOA established rehabilitation programs in all states. Vocational Rehabilitation has 13 offices statewide, most of which are co-located within JobConnect and One Stop offices in southern Nevada. There are 46 Masters Degree rehab counselors statewide with expertise in both vocational counseling and in working with individuals with disabilities. Some counselors specialize in specific areas, such as mental health and hearing loss. The focus is to assist in both obtaining and maintaining employment. The Bureau of Vocational Rehabilitation and the Bureau of Services to the Blind and Visually Impaired are managed and funded jointly. Federal funding is provided through the Act and based on a 4 to 1 match. DETR provides a non-federal funded match to draw down federal funds. One funding source is in the form of third party cooperative arrangements between Vocational Rehabilitation and another governmental entity. Both entities must be able to serve joint clients, who are individuals with disabilities and are enrolled in the Vocational Rehabilitation Program as well as clients of the partner agency. The program must be new, expanded or modified. The partner entity provides the match in the form of either cash or certified staff time.

There are currently third party cooperative arrangements with the following entities:

- Washoe County School District: Vocational Opportunities for Inclusive Careers (VOICE)
- Clark County School District: Jobs, Exploration and Expectation Program (JEEP)
- Nevada System of Higher Education (NSHE): Career Connect
- Inter local contracts with Truckee Meadows Community College and Western Nevada College

These partners add \$1.6 million to the program. At any one time approximately 2,000 individuals are receiving services, with the program assisting approximately 5,000 to 5,100 individuals each year.

Another initiative being pursued is work readiness partnership with employers, including:

- Office Max/Office Depot distribution center in Las Vegas: Maxing Out Diversity
 - Nevada was the first state to roll out this program
 - Nineteen participants have completed the program with 12 now employed.
- Starbucks Carson Valley Roasting Plant Distribution Center in Minden
 - Nevada was the first state to roll out this national initiative
 - Twenty-one participants have completed the program with 18 now employed.
- PepsiCo Certified Center in Las Vegas: ACT (Achieving Change Together)
 - Seven participants have completed the program with six now employed

These are onsite, on-the-job training programs. Clients that are referred are job ready and skilled, however many have had little to no work experience. Vocational Rehab staff meets with employers prior to the onset of agreements to provide Disability 101 training, which outlines expectations, including People First Language, which provides guidance on communicating with individuals with disabilities. Other discussions include available services, including recruitment and retention. Paid on-the-job training is provided through third party temp agencies. Other available support services include interpreters and job coaches. Employers are also informed of available tax incentives. Training includes classroom education and hands-on training and lasts from two to six weeks. After completing four weeks, a person may choose a two-week internship. Certificates are issued upon completion of the program.

Services available from Vocational Rehabilitation to individuals and employers include:

- Assessments of individuals' job skills and abilities
- Training modules available statewide
- Career counseling and guidance with Masters Degree rehab counselors
- Community based assessments
- Ability to purchase licenses, tools and uniforms
- Orientation and mobility training
- Ability to purchase assisted technology products and equipment and provide assessment and training
- Physical and mental restoration services
- Interpreters and job coaches
- Job development and job retention services
- Workplace accessibility, outreach and training

Horacio Lopez inquired as to duplication of efforts in relation to other organizations, such as Opportunity Village in Las Vegas. **Shelley Hendren** confirmed that Vocational Rehabilitation does work in collaboration with Opportunity Village through programs such as Job Discovery One and Job Discovery Two, which moves individuals from this facility and into competitive integrated work.

c. WIOA Unified State Plan – WIOA State Plan workgroups' updates/statuses

Steve Fisher, Administrator, Division of Welfare and Supportive Services (DWSS) discussed a key provision of the Workforce Innovation and Opportunity Act (WIOA), which is the directive to develop a stable Unified State Plan that includes adult dislocated worker and youth programs, employment services, adult education services and vocational rehabilitation services. In December 2004, the Division organized a statewide implementation planning team with the goal of developing a WIOA Unified State Plan. The Unified State Plan is due March 3, 2016 to the Department of Labor with implementation to commence on July 1st, 2016. Participants included members from the Department of Employment Training and Rehabilitation, Department of Health and Human Services (the Division of Welfare and Supportive Services), the Department of Education, the Governor's Office and the Local Workforce Investment Boards from the north and the south.

The team consists of 33 to 34 individuals and meets on a monthly basis, breaking into specific workgroups, including:

- Governance
- Labor Market Information
- Policy Performance
- Accountability
- Fiscal
- Business outreach
- Staff Development

Each workgroup feeds information to the Governance Workgroup, where deliberation and decisions are made based on information received from the various workgroups. In September, the Division developed a Unified State Plan Vision Statement as a guideline for developing its plan. Next steps for the workgroups include: Devising goals, objectives and strategies. Each of the workgroup is feeding information into a central plan. The Division is endeavoring to complete a first draft of the State plan by October 22, 2015 and the second draft by November 16, 2015. The next weekly Governance Workgroup meeting is scheduled for October 23, 2015.

d. DETR Research and Analysis Bureau Economic Updates

Bill Anderson provided a brief overview of current economic conditions as they relate to the labor market. Nevada recorded its 55th consecutive month of year over year declines in the unemployment rate, which had peaked at about 14 percent at the height of the recession and is currently at 6.7 percent. There is a noticeable downward trend in individuals filing initial claims, with approximately 14,000 claims per month, which represents approximately a 50 percent reduction from the height of the recession. The Employment Security Commission recently met to address the State's unemployment trust fund, specifically the unemployment insurance tax rate for the upcoming year.

There are positive trends related to the amount of contributions to the Unemployment Insurance Trust Fund relative to the amount of benefit payments. Nevada began the recession with an approximate trust fund balance of \$800 million. During the recession, the balance dipped to a negative \$800 million, requiring the State to borrow from the federal government in order to continue to make payments. A spike in contribution funds in late 2013 represents the proceeds from a bond sale, which paid off the federal loan and reduced the burden on employers. Contributions are now exceeding benefits and the fund has grown to approximately \$400 million. In the most recent quarter, the balance grew by approximately \$121 million, which represents the strongest quarter to quarter increase on record. The State is on pace to add back all jobs that were lost during the recession by mid 2016. Approximately 100,000 jobs were added from 2010 to 2014 in the private sector. This year, the State is on pace to add 40,000 more.

The Bureau conducted research and determined that the average business size shrinks during recessions, levels off and grows during recovery and then rises slightly. The largest businesses tend to be the hardest hit during downturns. The current recovery is broad-based and diversified, with growth across most sectors of the economy, with the loan exception in mining. In terms of percentages, the fastest growth is occurring in the construction industry. Governor Sandoval has declared October to be Manufacturing Month in Nevada. Manufacturing is an important job sector in the north, with close to 17 percent of Lyon County's jobs and 15 percent of Story County's jobs based in the manufacturing base. Story County's percentage will see significant expansion with the upcoming Tesla project. Manufacturing is a fairly high paying industry, with four of the top ten occupations paying above average wages. In each of the last three quarters, the number of manufacturing employers have increased by record levels. Approximately 5,000 employers were lost during the recession. All have been regained, with a total now of 62,500 employers.

In terms of business establishment growth during the recovery, the total in Nevada has increased by approximately 9 percent, which is the tenth strongest gain amongst all states. In terms of job growth relative to the nation, Nevada has had three-plus years of job gains, being stronger than the nation as a whole. Based upon unemployment insurance wage records, Nevada started the year with the strongest private sector job growth in the nation, despite being the hardest hit during the recession. The Governor has recently embarked on a trade mission to China and DETR has been examining the State's export activities to identify its largest trading partners, which include Switzerland, Canada and China.

e. GWDB Industry Sector Council Reports and Updates

Michael Frechette, Chair of the Information Technology Sector Council provided a quarterly report. The Microsoft IT Academy Pilot Program was launched in 2014. Participating school districts include Clark, Elko, Storey and Washoe with 500 students participating. Three hundred and forty students attempted one exam as a result of the program with 918 total exams taken and 216 total student certifications at an approximate rate of \$260 per certification. Certificates were awarded to 130 students, 45 of whom obtained more than one certification. Concerns addressed by the Council included a lack of emphasis on computer science in primary and secondary education, which may lead to lower enrollment in undergraduate and graduate programs in information technology. This was a one-time program and has potential for expansion. The Council has worked with the Department of Education to explore the possibility of a larger deployment of the Microsoft IT Academy to additional schools. The \$450,000 proposal would service 111 high schools in Nevada at an approximate cost of \$4,000 to \$5,000 per school.

He reviewed the composition of the Council, which consists of IT and telecommunication professionals. Representatives are comprised of private industry, local government, state government and academia. The next meeting is scheduled for October 19th, 2015.

Shelley Hendren asked about the ability to track students that receive certification to determine their employment status in the future. **Dennis Perea** replied that under the WIOA, there is a much more rigorous reporting requirement. The level of tracking suggested would require funding, but is possible. As for the Microsoft IT Academy, tracking will automatically occur if the program is funded through a local board. If it is funded through CTE, the Council and Department of Education would have to coordinate tracking and matching the data.

Bill Anderson provided the general Sector Council Report. The Research and Analysis Bureau assumed responsibility for sector council oversight beginning July 1st. Preliminary work includes identification of best practices. Communication with various sector councils has been improved in terms of providing information on a more proactive basis. There has been improvement in the outline of agendas, as more concrete discussions and topics are taking place. At the end of the month, the inaugural Southern Nevada Manufacturing Network Breakfast will bring a number of interested Manufacturing employers together on a regular bimonthly basis to discuss issues and compare best practices.

f. Nevadaworks – Local Workforce Development Board's Report/Updates

John Thurman, CEO stated that staff is gearing up for the performance measures coming under WIOA. As the Silver State Solutions Project with Burning Glass is incorporated into the enhanced data collection and reporting tool of the State, targeting efforts for both boards will improve. To bring the Adult Dislocated Worker Program into alignment with WIOA, an RFP will be issued in the new year. The Board has been meeting on a monthly basis in reference to the out of school youth programs required under WIOA with the new sub-recipients of the funding from Nevadaworks. Most programs are well on the way to being in compliance, meeting or exceeding performance measures.

g. Workforce Connections – Local Workforce Development Board’s Report/Updates

Ardell Galbreth, Executive Director, stated that the One Stop Delivery System is well in place. One Stop contracts have been awarded for adult dislocated workers, which are geographically distributed throughout One Stop affiliate sites for the general populations. These contracts include services to those with disabilities, the veteran re-entry population as well as in and out of school youth. An RFP for the One Stop Career Center was issued during the summer and effective July 1, Risk Care Workforce Services was awarded the contract. The launch of the mobile One Stop unit occurred in September. A bus was received from Regional Transportation Commission (RTC), which was repurposed, including the installation of computers. The bus now travels to the Workforce Development area, job sites, schools and other locations for onsite service. A non-cash grant has been received from the Armed Forces Corporation and the new Consumer Finance Protection Bureau, which assists in providing financial services to veterans. For the second year, the Board will continue its two-year \$100,000 Fifty Plus Grant with AARP. A board has been established in accordance with WIOA and committees have been established.

Horacio Lopez asked about tracking the demographics of the clientele served. **Ardell Galbreth** replied that this information is obtained from Bill Anderson. In addition, demographics can be gleaned from federal reports.

h. DETR Chief Financial Officer’s report and update: WIOA Analysis of Expenditures

Mark Costa, Chief Financial Officer, DETR, reviewed the WIOA Analysis of Expenditures for the period ending September 30, 2015. Included in your information packet is the WIOA Expenditure Analysis Report for the period ending September 30, 2015. This spreadsheet lists the expenditures for the last two program years (2015 and 2014) with the term for each year’s grant shown at the top under the Program Year (PY) header. On the left hand margin are the entities receiving funding and then further divided according to contract or program. The totals for the two program years are to the immediate right of the entities listed. Each contract allocated to the Governor’s Reserve and State Administration is shown separately. Highlights of this report are as follows.

PY14, the first program year, saw both Nevadaworks and Workforce Connections using this grant during last quarter. Nevadaworks incurred about \$1,713,827 in expenditures while Workforce Connections expended \$4,415,464 for total quarterly expenditures. Governor’s Reserve expended \$250,254 during the last quarter. State Administration expended \$109,760 and Rapid Response spent \$169,805 including \$21,101 in WIOA transitional costs. Both the Governor’s Reserve and State Administration have now completely expended their PY14 grant. Transitional costs are defined as expenses incurred through the changeover from WIA to WIOA.

PY 15, the second program year, incurred \$176,868 in expenditures. The total grant is \$31,116,228. State Admin expenditures were \$141,269 and Governor’s Reserve expenditures for the JobConnect and Career Information Systems netted the remaining \$35,599.

9. BOARD COMMENT(S) AND DISCUSSION

Chair Mack read the statement into the record: “Members of the Governor’s Workforce Investment Board may now comment on any matter(s) or topic(s), which is relevant to or within the authority or jurisdiction of the Board. **NO** action may be taken on a matter during public comments until the matter itself has been included on an agenda as an item for *possible action*, and properly noticed pursuant to **NRS 241.020**.” He invited comments from Carson City, Las Vegas or on the telephone. There were none.

10. PUBLIC COMMENTS NOTICE (SECOND)

Chair Mack read the statement into the record: “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.” He invited comments from Carson City, Las Vegas or on the telephone. There were none.

11. ADJOURNMENT

Chair Mack reminded Board Members that the next meeting is scheduled for January 21, 2016, at 2:00 p.m. in Carson City televised to Las Vegas and will be in a workshop format to review and discuss Unified State Plan Draft. A special meeting will be tentatively scheduled for February 18th, 2016 at 2:00 p.m. to conduct a final review and vote on the Unified State Plan Draft in order to meet the March 3, 2016 State Plan submission deadline to the Department of Labor.

The October 15, 2015 meeting was adjourned.

DRAFT