

GOVERNOR'S WORKFORCE INVESTMENT BOARD MEETING
AKA State Workforce Investment Board (SWIB)
Thursday, March 24, 2011 – 1:00 p.m.
Stanley P. Jones Building – Conference Room C
2800 East St. Louis Boulevard
Las Vegas, Nevada

MINUTES OF MEETING

Present: Richard Lee (Acting Chair), Pamela Egan, Romaine Gilliland, Eric James, Leslie Martin, Larry Mosley, Jean Peyton, Keith Rheault, Maite Salazar, Frank Woodbeck, Bradley Woodring, Douglas Geinzer

Absent: Mary Ann Brown, Jo Cato, Senator Allison Copening, Kathy Grost, Assemblyman James Ohrenschaal, Maria Sheehan, Dennis Shipley, Geoffrey Wilson

Also present: William Anderson (DETR - Chief Economist Research and Analysis Bureau), Cindy Jones (Employment Security Division – Administrator), Dave Schmidt (DETR – Economist Research and Analysis Bureau), Lynda Parven, ESD/DETR – Deputy Administrator, Earl McDowell (DETR – Deputy Administrator Economic and Workforce Business Development Business Unit), David Jefferson (Workforce Connections - Chief Operating Officer), Lori Thomas (Project 5000 Kids – Project Specialist), Dennis Perea (DETR – Deputy Director), Mark Bayer (Arsenal Advertising), Steven Aramini (Arsenal Advertising), Tamara Nash (State Board Liaison)

I. WELCOME - Acting Chair Lee called the meeting to order at approximately 1:00 p.m. He announced former Chair Cass Palmer was made President and CEO of United Way.

II. INTRODUCTION OF NEW MEMBERS - There were no new members to introduce.

III. ROLL CALL AND CONFIRMATION OF QUORUM - Roll call was heard and a quorum of eleven members was determined.

IV. VERIFICATION OF POSTING - Tamara Nash verified the meeting was posted in accordance with Nevada's Open Meeting Law.

V. DISCUSSION/POSSIBLE ACTION: APPROVAL OF THE DECEMBER 9, 2010 MEETING MINUTES - **It was moved, seconded, and carried to approve the December 9, 2010 Meeting Minutes.**

VI. PRESENTATION: NEVADA'S ECONOMIC OUTLOOK – William Anderson, DETR Chief Economist - Research and Analysis Bureau, reported there was a sizeable drop in the January unemployment rate, from 14.9% to 14.2%, but the decline reflects individuals leaving the State or dropping out of the labor force. Job losses are continuing to ease. As of January 2011, there were job losses of less than 1% in relation to a year ago. With a PowerPoint© presentation, he reviewed job growth trends in the health care sector. He stated approximately 24,000 jobs were added between 2002 and 2010. Nevada's health care industry has increased at a faster pace than anticipated exceeding the national average. He commented on the growth in nursing occupations in Nevada, but stated it was still less than the national average.

Member James asked if the current economic state and the stagnant population growth in Nevada would have an effect on the health care industry in Nevada. Mr. Anderson stated he would expect there was still room for the health care industry in Nevada to grow since the hospital sector in Nevada was less than the national average. Acting Chair Lee noted he serves on the Southern Nevada Hospital Board. He commented on the job growth that he has witnessed in the health care industry and stated that it will continue to grow even if the population stagnates because of the aging of the baby boom generation.

VII. PRESENTATION: NEVADA'S UNEMPLOYMENT INSURANCE TRUST FUND – Cindy Jones, DETR Administrator - Employment Security Division stated this item had been agendaized due to the number of questions regarding this issue heard at previous Board meetings. She commented that additional staff and technology has been implemented to better serve unemployment recipients. Regarding the trust fund, Ms. Jones stated there is a math problem. The trust fund only supports the first twenty-six weeks of regular state unemployment benefits and that \$900 million was paid out over the last two-year period, but only approximately \$300 million was collected.

With a PowerPoint© presentation, Dave Schmidt, Economist – Research and Analysis Bureau, reported the following:

- As of March 16, 2011, thirty-five states have borrowed approximately \$45.1 billion in federal funding to pay unemployment benefits in their respective states; thirty-two states still have a loan outstanding.
- To-date, Nevada's share of the loan is a little over \$720 million.
- In 2010, approximately thirty-four states were expected to experience tax increases or benefit freezes because of their significant borrowing.
- Based on the Average High Cost Multiple, Nevada had the 18th strongest trust fund heading into the recession and above the recommended target of 1.0 at 1.02 and a solvency multiple of 1.47, which represented having enough reserves in the trust fund to pay unemployment benefits for a year during a recession without borrowing. Mr. Schmidt explained it was the significant spike in unemployment benefit payouts in 2009 and 2010 that depleted the trust fund, which is only responsible for the first twenty-six weeks of regular benefits and not the extended benefit programs established by the federal government that extends benefit payouts to ninety-nine weeks.
- Nevada began to borrow Title XII loans from the Social Security Act in October 2009 when the unemployment rate was at 13%.
- For outstanding loans that have not been paid back after two years as of January 1st, the federal government can increase the federal tax rate that employers pay by 0.3% every year that the loan is still outstanding on the first \$7,000 of an employee's wages, which is applied to the balance of the outstanding loan.
- Interest has been deemed paid through the end of 2010 under the ARRA Stimulus Bill, but will need to be paid in 2011. The interest rate is the rate that is paid on any trust funds that have a positive balance. The most recent rate announced in February 2011 was 4.0869%.
- The Employment Security Council chose to recommend a 2.00% tax rate as the repayment strategy. Mr. Schmidt noted that the average time from the end of one recession to the start of the next recession over the last fifty years has been approximately 5.4 years.

VIII. PRESENTATION: SILVER STATE WORKS INITIATIVE – With a PowerPoint© presentation, Lynda Parven, ESD/DETR Deputy Administrator, stated DETR's Mission Statement is to work in collaboration with other agencies to develop a trained workforce to enhance Nevada's economy. Effective July 1, 2011, DETR will work with the Local Workforce Investment Boards, Department of Health and Human Services, Department of Corrections, and Economic Development agencies across the state on Governor Sandoval's Silver State Works initiative. DETR will provide \$4.6 million a year from existing client service funds over the next two years for the initiative. The Department of Health and Human Services budget request also designates \$10 million over the next two years to the initiative. The collective goal is to place up to 10,000 employees in Silver State Works programs by the end of FY2013. The targeted population is those recipients in the Temporary Assistance for Needy Families (TANF) program and those individuals at risk for the TANF program, persons with disabilities, veterans, ex-offenders, unemployment insurance recipients, and older youth age 19-21 who are eligible through the Workforce Investment Act. Candidates will be evaluated on a three-tier basis with the emphasis on Tier 3 candidates who are self-sufficient. Tier 1 and Tier 2 candidates will receive other resources and services available through the partner agencies. Ms. Parven reviewed the following three Incentive Programs for employers: Employer Based Training; Employer Incentive Job Program; and Incentive Based Employment.

Member Rheault asked for clarification that the Employer Incentive Job Program does not have to be high-growth or high-demand occupations. Ms. Parven stated they do not have to be. The goal is to place individuals in full-time positions, but the purpose is to work with those companies in high-growth or high-demand occupations. Member Rheault asked if the Silver State Works group puts together a list of high demand occupations or is that list provided. Ms. Parven stated that would be Mr. Anderson's job. Mr. Anderson explained the different components that will be use to construct the list.

Member Egan asked about the services and programs that would be available for the Tier One and Tier Two individuals. Ms. Parven stated there were current work-related services and training programs available for Tier One and Tier Two individuals and that Silver State Works would focus on the Tier Three individuals. Mr. Anderson added it was expected to focus the majority of funding for training on Tier Three individuals, which could be an incentive for employers to hire those individuals full-time. Member Egan expressed concern about shifting resources on Tier Three candidates at the expense of Tier One and Tier Two candidates.

Member Peyton stated she agreed with Member Egan's concerns about focusing on Tier Three individuals. She asked if there was a part of this process that targets ex-offenders. Mr. Anderson stated there was already a program in place that focuses on rehabilitating ex-offenders.

IX. UPDATE: NEVADA'S INDUSTRY SECTOR COUNCILS – With presentation material, Earl McDowell, DETR Deputy Administrator – Economic and Workforce Business Development Business Unit, reviewed the four Industry Sector Councils: Health Care, Hospitality, Manufacturing, and Green/Renewable Energy.

Member Martin commented that the mining industry was having a difficult time finding qualified individuals to work in their industry and have to hire people from out-of-state. She asked if one of these sectors would provide those qualified individuals to work in the mining industry. Mr. McDowell stated they would be working with the sector councils to determine what those particular needs are. Member Mosley commented on DETR's contributions to the Sector Councils and the coordination that will be done statewide.

Acting Chair Lee commended DETR's efforts. He requested to know if there were any additional sectors to recommend to DETR for review. Member Woodbeck noted information would be provided to DETR in the future regarding new sectors to review. Member Mosley commented on the different collaborations that will present sector information to DETR for review.

Member Egan asked if Biotech would be considered a part of Health Care. Mr. McDowell replied yes.

X. LOCAL WORKFORCE INVESTMENT BOARD REPORTS

A. NevadaWorks – Member Woodring reported the programs were working very well. They anticipated spending all ARRA funding by June 30, 2011. Additionally, the It's About Jobs website was going well with approximately 2,000 job postings. There is no information to provide for placement, but there were quite a number of visits to the site.

B. Workforce Connections – David Jefferson, Workforce Connections Chief Operating Officer, thanked Member Mosley for his collaboration efforts with Workforce Connections. It was reported the State Energy Sector Partnership Grant was a \$6 million grant awarded by the Department of Labor to DETR that is being used for NevadaWorks and Workforce Connections. Renewable energy projects for job creation were reviewed. Member Mosley commented on the challenges of the grant and the efforts to meet those challenges. Lori Thomas, Project Specialist Project 5000 Kids, stated they were currently partnered with the Clark County School District. She reviewed the success of the National Job Shadow Day. She stated the program's goal is to develop a summer internship program and a free mentorship program.

Member Peyton asked if Project 5000 Kids is a part of or a contractor with Workforce Connections. Ms. Thomas stated Project 5000 Kids is a part of Workforce Connections.

XI. GOVERNOR'S WORKFORCE INVESTMENT BOARD (GWIB) COMMITTEE REPORTS

A. Workforce Planning, Policy, and Performance Policy Committee

1. Report: WIA Performance Measures/Levels – Dennis Perea, DETR Deputy Director, stated report information has been provided to the Board and that they have met or exceeded all of the performance standards.

B. Governor's Reserve Funds Budget Committee – Acting Chair Lee stated there is no report because this Committee has not met since the last meeting.

C. Marketing & Business Support Committee – Acting Chair Lee stated this Committee has not met, but were developing the process such as for the website. It was noted Silver State Works would be working with this Committee and that information would be presented at a future meeting.

D. Youth Council

1. Presentation: NevadaYouth.org Website – With a PowerPoint© presentation, Mark Bayer and Steven Aramini, Arsenal Advertising, provided a review of the NevadaYouth.org website. Mr. Bayer stated they set out to create a website dedicated to educating and preparing Nevada youth to make smart employment career decisions without duplicating current services. Input was received from children regarding the design of the website. Sample pages of the website were reviewed.

Member Peyton stated she wanted to make sure the website is tested for accessibility to screen readers and screen enhancers before being released to the public. Mr. Bayer stated they would do that and also cross-platform testing.

Member Salazar commented that they were hoping the website would be approved at today's meeting in order to be launched, but this item was not agendaized as an action item. She requested to know if there could be approval of the website before the next Governor's Workforce Investment Board meeting. Tamara Nash stated a teleconference could be held for that purpose. She stated this item was not agendaized as an action item in order to allow the Board time to review the website.

XII. COMMITTEE CHAIR APPOINTMENTS – Member Salazar noted she would be stepping down as Chair of the Youth Council and that Eric James has accepted the position. Doug Geinzer volunteered to serve on the Budget Committee and Acting Chair Lee appointed Kathy Grost to serve on the Youth Council. The following Committee Chair appointments were made:

Mary Ann Brown - Policy, Procedure, and Planning Committee

Eric James – Youth Council

Frank Woodbeck – Budget Committee

XIII. PUBLIC COMMENTS – There were no public comment requests. Member Mosley provided information regarding Governor Sandoval’s review of programs.

XIV. ADJOURNMENT – There being no further business, the meeting adjourned.