

ADOPTED
MONTEREY COUNTY Workforce Investment Board
OVERSIGHT COMMITTEE

May 10, 2012, 8:30AM
Shoreline Workforce Development Services, 249 10th Street, Marina, CA

Members Present: Mary Ann Leffel, Judith Profeta, Larry Silva, Teresa Sullivan, Brian Turlington, and Dr. Phoebe Helm (via teleconference)

Members Absent: Al Davis and Cesar Lara (excused)

Staff Present: Joyce Aldrich, Jim Cook, Marleen Esquerra, and Flor Galvan

Others Present: Rosie Chavez, Rob Gamble, Wil Moore, Rod Powell and Andrea Zeller-Nield.

Call to Order/Introductions: Ms. Leffel called the meeting to order at 8:41am. She welcomed those in attendance and called for introductions. A quorum was established.

Changes to Agenda: At the request of the Office for Employment Training (OET), Ms. Esquerra provided the committee with two revised handouts for information item #4 that reflects OET's dislocated worker and adult enrollments and expenditures.

Public Comment: Ms. Leffel asked that Mr. Cook provide an update on the Capital One layoff. Mr. Cook advised the committee that the City of Salinas is leading an effort to coordinate a response effort to address the Capital One layoff. Ms. Aldrich will be leading the Rapid Response Team along with Marleen Esquerra, and two individuals from OET. We will also bring in Rob Gamble to provide assistance. This is a significant downsizing of over 850 jobs that will severely impact our local economy and the families of those impacted. We have applied for a \$1 million dollar grant that is currently seeking approval from EDD. The WIB is working with the City and is in the process of putting together a plan of action to be brought back before the Executive Committee.

Consent Calendar:

C-1: Approve the minutes of the April 12, 2012 Oversight Committee meeting. Mr. Turlington requested a change to the minutes to correct the spelling of the company name "Bechtal" to "Bechtel".

Motion: Ms. Profeta

Second: Mr. Turlington

Motion passed unanimously

Business Meeting Calendar:

1. **Information: Update on current and pending, local, State and Federal monitoring of Monterey County's local workforce investment system.** Ms. Aldrich stated that WIB staff has completed all local monitoring of youth, adult and dislocated worker program service providers. Draft monitoring letters were distributed to the subcontractors. The subcontractors are doing very well and the service provided to participants is excellent. The State conducted a WIA fiscal and procurement review and found concerns regarding the recruitment of the Economic Director. Ms. Aldrich has all the pertinent information available to respond to the State's concerns. To date, the WIB has not received any letters from the State concerning their 85% program monitoring review. The State auditors are continuing to present questions to the operators on the CalGRIP grant; therefore no response on that particular audit is available at this time. The DOL audit of the National Emergency Grant for On-the-Job Training (OJT) appears to have gone well however DOL suggested that changes be made to the WIB's OJT policy that includes general language for the purpose of National Emergency OJT Grants.
2. **Information: Receive a draft monitoring report on Shoreline's Adult Program for PY 2011-12.** Ms. Esquerra reported on the monitoring of Shoreline's adult program for the period of October through December 2011. Three observations were found during the monitoring that included recommendations to increase staff efforts to complete WorkKeys Readiness tests after a potential candidate is considered eligible for an OJT prior to engagement with an employer; to submit claims for reimbursement in a timely fashion and to increase its outreach efforts to recruit and meet its target population goals. Overall,

Shoreline is satisfactorily meeting their PY 2011-12 adult subcontract provisions. A draft monitoring letter was sent to Shoreline with a deadline to respond by May 21, 2012.

3. **Information: Receive a draft monitoring report on Turning Point's Adult program for PY 2011-12.** Ms. Esquerra reported on the monitoring of Turning Point's adult program for the period of October through December 2011. Three observations were found during the monitoring that included recommendations to develop a feedback form for participants to complete after successfully completing their 5-day employment workshop, to submit claims for reimbursement in a timely fashion and for Turning Point to increase its recruitment efforts to meet their planned target population goal. Overall, Turning Point is satisfactorily meeting their PY 2011-12 adult subcontract provisions considering that they serve the hardest-to-serve population. Ms. Esquerra also recognized Turning Point for making their services available to employers and participants after business hours. Ms. Leffel stated that she spoke with Worldwide Interactive Network (WIN) representatives who plan to create a national video and identified Turning Point as one of their featured success stories. The video will be played at the White House by the Secretary of Education.
4. **Information: Receive a report on WIA Title 1 Adult and Dislocated Worker program providers for PY 2011-12.**

Shoreline: Ms. Esquerra stated as of April 2012 Shoreline is at 84% of meeting their total enrollment goal and exceeded their OJT enrollment goal at 105%. Shoreline is slightly over their planned expenditure goals due to exceeding their planned OJT goal. Their geographic enrollments have improved since the WIB local monitoring. Shoreline has achieved a 96% unsubsidized employment rate and the average hourly rate for participants is \$10.96.

Turning Point: Ms. Esquerra reported as of April 2012, Turning Point has exceeded both its total enrollment goal at 110% and OJT enrollment goal at 102%. Turning Point is slightly over their planned expenditure goals due to exceeding their planned enrollment and OJT goals. They have met all their geographic enrollment goals. Turning Point's unsubsidized employment rate is at 76%, above the federal standard. The average hourly rate for participant employment is \$11.12.

OET: Ms. Esquerra stated as of March 2012, OET is at 91% of meeting their planned number of new adult enrollments. OET's total enrollments including new and carry-in participants are at 68%. Twenty-nine of these participants are currently participating in training related services. OET has over exceeded its current adult expenditure allocation at 162% of planned goals. OET is at 57% of meeting its total number of new dislocated worker enrollments and at 51% of meeting its total number of new and carry-in enrollments. Of those enrollments, fourteen are participating in training related services. OET's dislocated worker expenditures is at 94% of goal.

Mr. Silva questioned the percentage of OET's over expenditures. Mr. Powell responded that many factors came into place concerning the budget. He explained the budget was completed prior to the change in staff that impacted OET's fiscal and programs unit. The cost of staff salaries was also predicated on a plan that anticipates the receipt of additional grant dollars that did not occur this year. The actual operation of a large grant to serve displaced workers did not pan out which is now causing a significant budget shortfall. OET's fiscal office has also relied on transferring funds between the dislocated worker and adult funding streams which unfortunately the State is not allowing at this time. Mr. Powell stated that several County administrators are working internally to look at how staff time is appropriately charged to different funding streams. The timesheets at OET are very complicated and most often the staff naturally charge their time against the adult funding stream when filling out their timesheet. WIB staff is working with the finance officer and Elliott Robinson on ways to obtain funds to balance the budget and make any necessary changes.

5. **Action: Approve the extension of the WIA Title I Adult subcontracts with Shoreline and Turning Point and decrease their total contract budgets by 10%, for a total contract allocation of \$567,000 and require each subcontractor to expend a minimum of 25% of their contract funds on training for PY 2012-13.** Ms. Aldrich explained that SB 734 requires that 25% of our dislocated worker and adult WIA funding must be allocated towards participant training. She stated the recommendation is to reduce the total allocation of adult subcontract funds by 10% with a balanced change in the number of participants served. Over the last several years, our local area has experienced continual reductions in funding allocations. However, previous ARRA funds and the allowance of carry-in funds have helped to

offset the decrease in WIA funding. The WIB is now trying to balance the budget and that is why the WIB is asking that the committee approve extending the subcontracts because they have been doing an amazing job but also recognizing that we need to balance the overall system local WIA budget. Ms. Aldrich stated that she has spoken with both adult subcontractors prior to the meeting about the recommendation. Mr. Silva asked if the reduction would cause the subcontractors to have to layoff staff. Mr. Moore from Shoreline stated due to the reduction, Shoreline may have to eliminate one position. Ms. Chavez from Turning Point stated that her agency may have to eliminate a part-time position. Ms. Profeta stated that she does not feel that funds should be taken away from the subcontractors because they have done an amazing job. Ms. Aldrich stated that all subcontractors are performing well, however OET, who is the primary provider has a far greater responsibility to serve participants through the comprehensive One-Stop delivery system. Ms. Profeta asked that the board be apprised of the funding coming in and how it will be allocated as it is hard to cut funding to subcontractors that are doing well.

Motion: Mr. Turlington

Second: Ms. Profeta

Motion Passed Unanimously

6. **Information: Update on Monterey County's Local workforce Investment Area (LWIA) budget.** Ms. Aldrich stated that she was hoping to have more information on the LWIA budget to provide to the Oversight Committee; however the employee that handles the finance for OET has been out of the office due to an unforeseen circumstance. The chief finance officer is fairly new to WIA and OET's fiscal system, but is working diligently to get the fiscal information the WIB needs. Additional staff who handle the finances have also been out of the office. As of March 31, 2012, the WIA adult program funding stream is over expended by 120% as of the 3rd quarter period and the dislocated worker funding stream is at 77% of budget. For the non-participant program grants (Rapid Response, National Emergency Grant, OJT) we are at 72% of budget. This is an area that finance is looking at to help alleviate the budget shortfall for this current year.

ADJOURN: Ms. Leffel motioned to adjourn the meeting at 10:09am.

Motion: Mr. Silva motioned to accept the motion as stated.

Second: Mr. Turlington