

CAREER CENTERS

BROADWAY

915 Broadway
Sacramento, CA 95818
(916) 324-6202

CITRUS HEIGHTS

7011 Sylvan Rd, Suite A
Citrus Heights, CA 95610
(916) 676-2540

FRANKLIN

7000 Franklin Blvd., Suite 540
Sacramento, CA 95823
(916) 262-3200

GALT

1000 C Street, Suite 100
Galt, CA 95632
(209) 744-7702

GREATER SACRAMENTO URBAN LEAGUE

3725 Marysville Blvd.
Sacramento, CA 95838
(916) 286-8600

HILLSDALE

5655 Hillsdale Blvd., Suite 8
Sacramento, CA 95842
(916) 263-4100

LA FAMILIA

5523 34th Street
Sacramento, CA 95820
(916) 452-3601

LEMON HILL

5451 Lemon Hill Avenue
Sacramento, CA 95824
(916) 433-2620

MARK SANDERS

2901 50th Street
Sacramento, CA 95817
(916) 227-1395

MATHER

10638 Schirra Avenue
Mather, CA 95655
(916) 228-3127

RANCHO CORDOVA

10381 Old Placerville Rd.,
Suite 150
Sacramento, CA 95827
(916) 255-3255

SOUTH COUNTY

8401 - A Gerber Road
Sacramento, CA 95828
(916) 525-4717

Administrative Offices & Employer Services

925 Del Paso Blvd.
Sacramento, CA 95815
(916) 263-3800

Website: <http://www.seta.net>



SACRAMENTO WORKS, INC. PLANNING/OVERSIGHT COMMITTEE

Date: Wednesday, January 21, 2009

Time: 8:30 a.m.

Location: SETA Board Room
925 Del Paso Blvd., Suite 100
Sacramento, CA 95815

AGENDA

1. Call to Order/Roll Call
2. **Action Item:** Approval of Minutes of the October 15, 2008 and November 12, 2008 Meetings
3. **Action Item:** Approval to Increase the Maximum Scholarship Award
4. **Discussion Item:** LEED Position Paper on Role of Career Technical Education in a Global Innovation Economy
5. **Discussion Item:** Economic Stimulus Ideas
(please review attached summary of Workforce Development Policy)
6. **Update:** Clean Energy Technology Employer Roundtables
7. **Information Item:** Second Quarter Reports
8. Input from the public
9. Adjournment

Committee Members: Mike Dourgarian (Chair), Lynn Conner, Kathy Kossick, Jim Lambert, James Pardun, Frank Louie.

DISTRIBUTION DATE: TUESDAY, JANUARY 13, 2009

Sacramento Works, Inc.
Planning/Oversight Committee
Minutes/Synopsis

SETA Board Room
925 Del Paso Blvd., Suite 100
Sacramento, CA 95815

Wednesday, October 15, 2008
8:30 a.m.

1. **Call to Order/Roll Call:** Mr. Dourgarian called the meeting to order at 8:33 a.m.

Members Present: Lynn Conner, Mike Dourgarian, Kathy Kossick, Jim Lambert, Joan Polster, and Tim Ray.

Member Absent: James Pardun

Others Present: Phil Cunningham, Terri Carpenter, Robin Purdy, Melissa Noteboom, and William Walker.

2. **ACTION ITEM:** Approval of Minutes of the September 17, 2008 Meeting

Minutes were reviewed; no questions or corrections.

Moved/Polster, second/Kossick, to approve the September 17 minutes.
Voice Vote: Unanimous approval.

3. Review of meeting notes from the last Strategic Planning Meeting and discussion of future direction for the Planning/Oversight Committee

Ms. Kossick asked that the video from Channel 3 be reviewed. Today is SETA's 30th Anniversary. The video will be shown on a continuous loop at each of the career centers.

Ms. Purdy asked what this Committee wants to accomplish in the next year. At the October 24, 2006 retreat, five goals were set as priorities for Sacramento Works. In addition, the board focused on three additional goals that would support the priorities. This piece moved into Partnership for Prosperity. This is a partnership of 34 workforce development organizations. SETA is very involved in this group.

Ms. Purdy reviewed the Sacramento Works matrix of committees. The Ad Hoc Education Committee was blended into the Partnership for Prosperity.

The Planning/Oversight Committee has accomplished some of the things on the matrix; others need to be done. Employer Outreach Committee is working on a similar path. They did a pilot with Career Builder to figure out ways that we could get more control over job matching at the career centers. Ms. Carpenter stated

that the pilot ran for six months; concept was to offer an electronic medium for any job seeker to access Sacramento Works jobs. We have always had CalJobs (EDD) but could not tell which were Sacramento Works jobs. The pilot was done to see if we could track our jobs. The State has a moratorium on new agreements and is in the process of upgrading CalJobs.

Mr. Ray reviewed the October, 2006 minutes. The Board Development Committee needs to be added to the matrix. Ms. Purdy stated that the BDC is one of the things that came out of the retreat after the fact but staff did not update the matrix. Ms. Conner thinks the BDC has done really good work. The Board Development Committee is helping new members to learn more about the Board and has included the 7:30 a.m. breakfast before the board meetings.

Mr. Ray spoke about presentations at the board meeting convey reports but there is no communication or dialogue. There was discussion of having an area on the web site specifically for WIB board members. Ms. Kossick stated that she thinks there is a way to set up a password protected area for the board. There can be a 1 page biography on each board member. Ms. Purdy stated that staff has tried to protect the board from solicitations.

Mr. Ray suggested calling this committee the 'Data Management Committee'. In addition, he would like to have every other board meeting to be a planning session. Mr. Cunningham stated that perhaps this Committee needs to suggest agenda items for policy issues. Strategy is part of this committee's role so this committee can suggest a strategy to be discussed at the board level.

Ms. Purdy stated that staff would like for the board members to have more cooperation rather than setting up boundaries. She spoke of the Education Committee and how people were told to stay out of certain areas. Ms. Kossick stated that there are six WIB members also on the LEED board; perhaps there needs to be better communication between the LEED Board and Sacramento Works as to who does what so no toes are stepped on. Mr. Ray feels that this board needs to push more to make our goals. There is a huge need for services and the educational groups are not talking.

Mr. Ray will frame something up and submit to staff for review. Mr. Ray would like to have discussions with the WIB board members that are also on LEED. He does not want to hear from Mr. Butler but the WIB/LEED board members. This would be less politically sensitive. These members would be invited to the next planning committee meeting.

Mr. Ray asked whether it were possible to request the Board Development Committee to take the same initiative by reaching out to the board on how to take the board to the next level? Ms. Conner stated that the Board Development Committee is focused on getting new members; she feels the committee should expand the focus to see how board members can be more fully developed and

engaged. Members discussed reevaluating key relationships between SACTO, the Metro Chamber, and private/post secondary organizations to see if there is another level of support or engagement. The Planning/Oversight Committee will be meeting with the Youth Council on November 12.

Mr. Dourgarian suggested that the board be asked to discuss what the WIB's role will be in the education sector. Bring the questions to the board that need to be discussed at the board level.

The board should be involved at board level strategic discussions; this committee should frame up what the questions are that will be discussed at the board level.

Recap of the meeting:

Mr. Ray wants 20 minutes to discuss youth issues.

Mr. Dourgarian wants to have a board retreat; he feels these are valuable in terms of brainstorming, etc.

4. **ACTION ITEM:** Recommendation on Strategic Planning Process for Sacramento Works, Inc.

Moved/Ray, second/Conner, to approve the strategic planning process for Sacramento Works.

Voice Vote: Unanimous of those present.

The next WIB meeting is scheduled for Wednesday, November 19. There will be a 20-30 minute discussion on youth education.

5. **Input from the public:** None.
6. **Adjournment:** Meeting adjourned at 9:57 a.m.

Joint Meeting of the Sacramento Works Planning/Oversight Committee and Youth Council

Minutes/Synopsis

SETA-Shasta Room
925 Del Paso Blvd.
Sacramento, CA 95815

Wednesday, November 12, 2008
8:30 a.m.

Planning/Oversight Committee Members Present: Tim Ray, Lynn Conner, Kathy Kossick, Jim Lambert, and Joan Polster

Youth Council Members Present: Bina Lefkovitz, Bill Warwick, Matt Kelly, Maurice Read, Mike Brunelle, and John Koogle

1. Discussion on how to reach youth at risk of dropping out (currently 30-50% drop-out) and other at-risk youth.
 - Overall higher level strategy plan – what role does the WIB play?
 - In addition to the WIA youth programs, members of the WIB and Youth Council sponsor the following activities:
 - Construction Career Awareness Day
 - SBE Design-Build Event
 - ACE mentoring program
 - Burbank/Raley's Scholarship program
 - SCUSD Construction program
 - Ready by 21 Compact has been endorsed by the Youth Council
2. Issues:
 - Connect finishing high school to a job
 - Teach A-G in an employment related program
 - Systemic Change for educators
 - WIB can encourage and support by finding Business Partners
 - Figure out options for youth who have dropped out
3. Small Learning Communities at SCUSD – 6 years It's Working
 - Students engaged in small (200-300) communities
 - Interventions when students are failing
 - Learning is relevant to life/work
 - Business connection

Are there services/supports that WIB and members can provide to increase success?

- Business Entrepreneurs
- Survey Schools to determine needs

4. ACE Mentorship Program
 - Grown from 3 to 13 schools (96 mentors from 45 companies)
 - Mentoring for Architects, Engineers, and Construction sectors
 - Explores all levels of jobs in targeted sectors
 - How do we engage more at-risk students in these types of activities?
 - Tracking for grade point average graduation rates, employment

5. Things the WIB and Youth Council can do:
 - Publicize reasons that youth dropout – talk to youth
 - Local best practices:
 - Career pathways
 - Area Congregations Together’s drop out prevention programs.
 - Relationships – creating engaging environments

 - Supporting teacher training and training for youth providers - Human Service Workforce investment
 - Youth Council is co-sponsoring the Human Services Workforce convening with Youth Development Network in the Spring 2009.

6. How do we contribute more to the effort to enhance education and drop-out prevention recovery?
 - Who else is doing work in this area
 - LEED, Valley Vision – pull together folks who are doing work in this area
 - Impact of economy on youth employment – need for more subsidized employment

7. Valley Vision has new project mapping youth services
 - Developing a website to identify youth resources
 - Option to link available jobs and business opportunities to youth resources identified by Valley Vision and Youth Development?
 - AT & T funded mapping of youth services

Next linkage should be to workforce development

8. Planning/Oversight: Focus on Workforce development for non-secondary school students advocacy with State of California to increase programs in Adult education and apprenticeship.

9. All career exploration funding has been eliminated from high schools
 - Possibility to connect One-Stops to K-12 for career exploration
 - Career Groups. Community connection to high schools
 - Communicate better with counselors at schools
 - Work more closely with alternative schools
 - Outreach with community college and high schools
 - Reach out to Charter schools/independent study

10. Need for Retreat – Write up for November 19, 2008

- Marketing
- Community Involvement
- Motivated to work for kids
- Industry involvement and commitment to action
- Strategy about Board Commitment to action
- Ready by 21 = Advocacy group

ITEM 3 - ACTION

APPROVAL TO INCREASE THE MAXIMUM SCHOLARSHIP AWARD

BACKGROUND:

Beginning in February, 2008, the Sacramento Works Career Center (SWCC) system volunteered to be one of 12 Learning Labs in an effort sponsored by the State of California Employment Development Department and the California Workforce Association which seeks to transform the one-stop career center system to a skill-based system that develops a talent pool which meets the needs of regional employers. The effort consists of 12 local Workforce Investment Areas who are testing whether integration of federal workforce development programs (Workforce Investment Act (WIA), Adult and Dislocated Worker Programs, Wagner-Peyser, and the Trade Adjustment Assistance Act), providing staff assisted services to all job seeking customers, and focusing on skills development and employment services result in higher rates of employment, wages and job retention.

Sacramento Works local plan, approved in September, 2008 included substantial changes in the policies regulating how funds are distributed for Individual Training Accounts/Scholarships. Because the Learning Lab proposed to increase the number of customers receiving skill development services and Sacramento County did not receive an increase in funding, the board approved a policy instituting a maximum scholarship award of \$2,000. Customers have been encouraged to research additional funding sources such as institutional, state and federal educational grants, and to utilize more free and low cost training offered through the SWCC programs and partners.

In the first two quarters of the fiscal year, the reduction in the maximum Scholarship has resulted in the following:

1. A decrease in the number of approved scholarships
2. An increase in the enrollments in free and low-cost training to the point where several adult education and community college classes are turning away students or placing customers on waiting lists.
3. An effort by training providers to split certificate courses into modules that are priced below \$2,000.

Because of the downturn in the economy, career centers are reporting an increase in the number of dislocated workers and unemployed job seekers seeking services at the career centers who are in need of skills development and skills upgrade.

RECOMMENDATION:

To ensure that the career centers are able to provide scholarships that will prepare workers for the skills needed by employers in the region, staff is making a

recommendation to increase the maximum Scholarship award to \$5,000. If approved, the Scholarship Award Policy would be revised as follows:

Up to \$5,000 can be awarded for a scholarship if it has been determined, as supported through the results of the financial needs assessment that the customer is unable to pay for or secure loans or grants for the full amount of the cost of training. Adequate justification for any amount over \$2,000 must be clearly stated in the SMARTware training/Financial Assistance Template. The justification must include the reasons why a more expensive training option is required by the customer. The maximum amount for training of \$2,000 may be exceeded only with the written approval by the Regional Manager or Deputy Director.

ITEM 5 - DISCUSSION

ECONOMIC STIMULUS IDEAS

BACKGROUND:

Below are ideas and suggestions provided by WIB Directors across California for changes in the WIA law and regulations that would allow Workforce Investment Boards to better serve our customers. The leadership team of the California Workforce Association (CWA) will meet with DOL policy makers in DC in January to communicate these ideas.

1. Provide Temporary Job Creation for immediate employment, income and economic development

- Provide earmarked funding for infrastructure employment (recognizing that "infrastructure" jobs are appropriate for less than the full population)
 - When you say that "infrastructure" jobs are appropriate for less than the full population, what I think this means is many of these jobs will require either driving a big earthmover (highly skilled) or doing the building (skilled, but a different set of skills)... if so, one of the significant groups that is being left out is middle skilled folks whose jobs have evaporated.
 - The basic physical systems of a country's or community's population, including roads, utilities, water, sewage, etc. These systems are considered essential for enabling productivity in the economy. Developing infrastructure often requires large initial investment, but the economies of scale tend to be significant. **In what is becoming more and more a knowledge-based economy, I think augmenting our nation's talent development infrastructure to enhance our social capital could provide all of the pay offs of the infrastructure enhancements to our physical capital, both in the immediate future and in the longer term.** The talent of our workforce is as essential as the hardscape in enabling productivity in the economy. So we should resource an infrastructure development strategy for both the physical development and the talent development.
- Include administrative, planning and office management type positions in infrastructure projects
- Provide additional funding for employment opportunities for the rest of the population.
- Let the identification and selection of infrastructure projects be a local WIB decision
- Be sure and include small business in the mix of targeted employment sites
- Allow placement in the private sector (e.g., Renewable Energy)

- Fund public service employment programs

2. Create a public sector employment program in the stimulus package

- Maximum employment time is approximately nine months to one year. Many economists are predicting the beginning of an economic turn around in the 3rd and 4th quarters of 2009. This will allow local areas to ramp up the program and have the ability to secure placements in the private sector when the economy begins to improve. Given the temporary nature of the stimulus package, shoot for an 18-month program model. Again, if this works, it will give us time to argue for the return of a Public Service Employment (PSE) program in WIA Reauthorization. Embed language in law that authorizes approximately \$750 million nationwide for PSE. If the national unemployment rate hits approximately 6.5%, the language could allow a trigger for a second round of PSE funding down the road. In short, it will fund the PSE until the unemployment rate returns to a traditional or historic level.
- One of the major problems with PSE during CETA was a limit on how much money you could pay a participant. This eliminated referring participants to many of the professional occupations that municipalities have as part of their professional staff. PSE should not just be for low paying jobs. Let's try and create opportunities for well-educated individuals who have been laid off and cannot find work in their profession.
- Expand the eligibility to allow anyone who is laid off to be served – regardless of the likelihood of returning to occupation or industry

3. Ultimate goal of workforce development is economic development.

- Continue to fund training in High Wage/High Growth sustainable industry clusters (e.g., Health Care, Renewable Energy, etc.).
- Fund local economic development teams to assist with related business start up, retention and expansion
- Continue to encourage loosely defined business services
- Continue to emphasize the importance of universal customer access
- Allocate the bulk of the funding directly to the WIBs to assure all areas of the country and each State are served.
- Use funding to assist with economic development. This supports business services.
- Assure economic stimulus is applied in rural areas as well as urban areas

4. Increase the funding and decrease the eligibility criteria for youth.

- Get rid of the in-school/out-of-school requirements – a youth should be served if they are under 21, low income, and barriers to employment
- Allow 25% of the enrollments to be non-barriered

- If retain income eligibility, allow eligibility for the School Lunch program to count
- Revise eligibility in stimulus package to be consistent with the flexibility we have in determining economic guidelines for economically disadvantaged adults. It seems logical that each LWIA could then benchmark youth eligibility consistent to each local area's interpretation of family economic criteria established for self-sufficiency.
- Make low income an additional barrier rather than a threshold eligibility criteria for youth. Get away from the focus on low income to lessen the perception that we are a poverty program.
- Allow up to 50% private sector work experience placements in order to expose youth to opportunities in renewable energy.
- If we can't get rid of "in" and "out" of school, include "alternative school" as "out of school. If they do keep in-school/out-of-school, then "alternative school" should be considered "out-of-school"...but truthfully it would be better to just drop the definitions and focus on youth workforce preparation.

5. Fund a Summer Youth program

- Drop the performance standards and define work experience to learn work readiness skills as the primary expected outcome
- Provide career exploration.
- Allow private sector work experience (e.g., energy sector)
- Allow at least 1 to 2 weeks paid classroom experience to augment the work experience placement.
- Understanding that the stimulus package is temporary and it may come late for the larger areas to initiate the full capacity needed to engage youth this summer, it would be beneficial if the money could be good through September 2010. That will give us 2 years for the summer jobs program and the ability to argue its importance when WIA Reauthorization occurs. It may also get us a higher level of funding.
- Encourage the allowability of academic enrichment activities. Allow incentive payments for school participation. This will encourage youths to combine work experience with education and connect lifelong learning to employment. This will allow us to develop strong linkages with community colleges, adult schools and the ROP system. It may also help improve the vocational infrastructure in public schools, which will help us provide services in year-round programs.
- Allow Summer Youth Employment Program (SYETP) to use work sites in both the public and private sector for temporary job creation. No restrictions except those embedded in Federal and State law.
- Waive all performance requirements for summer jobs. Re-establish the exit code (Return to School). Require tracking placements (Hard exits) and educational services provided so that we can report on how many jobs or credits youths earned and how much additional money was created in seat-time for our educational partners.

Suggestions/ideas developed by local leaders and WIB members:

1. Internships for students enrolled in the ACE Mentorship Program
2. Resume Bank/Skill Transference Assistance for Green Jobs
3. Targeting Infrastructure jobs to laid-off construction workers
4. Using infrastructure funds to assist with public sector infrastructure jobs
5. Support Career Technical Education in the K-Adult education system

Job Training Policy in the United States

Christopher J. O’Leary
Robert A. Straits
Stephen A. Wandner
Editors

2004

W.E. Upjohn Institute for Employment Research
Kalamazoo, Michigan

1

U.S. Job Training

Types, Participants, and History

Christopher J. O'Leary
Robert A. Straits
Stephen A. Wandner

Job training is a pervasive aspect of American life. Wage and salary employment is the single largest source of aggregate personal income in the United States. Every person holding a job has benefited from job training. Although most job training in the United States is undertaken by private employers in their normal course of doing business, each year hundreds of thousands of Americans in precarious economic conditions use publicly funded job training as a path to employment.

The focus of this book is on the government role in job training. To place this examination in perspective, the book also includes reviews of private job training efforts and an international comparison of government job training programs. The chapters review the effectiveness of major federal job training programs, examine important features of current programs, and speculate about directions for future job training programs.

This book is directed mainly to employment policymakers and practitioners at the local, state, and federal levels. The exposition is relatively concise and nontechnical. However, sufficient detail is included in footnotes and references to make the book a useful resource for students, researchers, consultants, and policy scholars.

TYPES OF JOB TRAINING

Job training involves teaching someone the skills required to do a job competently. It is distinct from general education because of the exclusive focus on preparation for employment. Job training can range from remedial training, which teaches people the skills they need to learn other skills, to very sophisticated occupation specific training, which teaches people detailed procedures to perform at a high level in a specific occupation. An overview of job training types is provided in Table 1.1.

Job training usually refers to short-term occupational skill training to increase job readiness. The popular notion of job training comes from the common experience in a school classroom. However, general occupational job skills training in an institutional classroom setting away from the workplace is only one of many types of job training which are used in a wide variety of settings.

Ideally, job training is selected to address the component of aggregate unemployment resulting from a structural mismatch between job seekers and job vacancies, so that training is targeted to occupations with local job vacancies. Classroom job training may be customized to fill the request of an employer with available job slots; such training could either be privately or publicly funded. Alternatively, choice of the training type and provider may be exercised by the participant through a publicly funded job training voucher program. When vouchers are used, choice for eligible training participants is framed by rules regarding eligible training provider quality and local occupational labor demand.

Job skill training may also be provided in an experiential private sector workplace setting through on-the-job training (OJT). Learning by watching someone else is one of the oldest types of occupational skill training. Such training may be paid for either privately or publicly, and may provide skills valued only in the context of the particular establishment or more generally in the job market. When OJT is privately financed, costs may be shared by trainees through lower wages (Barron, Berger, and Black 1997). When OJT is provided by a public agency, it is sometimes called work experience. Work experience may

Table 1.1 Types of Job Training

Occupational skill training

Provided in group setting is called institutional or classroom training and usually for occupations in general demand.

Customized is designed to suit the specific requests of an employer with available job slots or employees already on-board.

Vouchers are a vehicle to allow participants to choose among approved topics and training providers.

Skill training provided in an experiential workplace setting is referred to as on-the-job training (**OJT**).

When OJT is provided through a public agency it is sometimes called **work experience**.

Remedial training

General training which seeks to remedy basic gaps in reading and mathematics skills to make job seekers ready for skill training.

Classroom soft skills training

Conveys knowledge about proper workplace behavior or job search skills.

Postemployment training

Combines classroom and practical activities intended to promote retention and advancement within a given career path.

Youth training programs

Basic skills training in a workplace context, support for further general education and credentials, mentoring, school-to-work and school-to-apprenticeship transition services, intensive residential education and occupation and job training.

be either volunteer or paid, and it may be either unsubsidized or publicly subsidized.

Direct job creation programs also have a training dimension in that they provide knowledge and practice in basic workplace behaviors such as punctuality, cleanliness, and cooperation. Practice in such behaviors through community service employment can be valuable to both new workforce entrants and to prevent deterioration of such established skills among the long term unemployed (Cook, Adams, and Rawlins 1985).

When job seekers possess neither the occupational skills in demand locally, nor the fundamental abilities required to acquire such skills, often remedial training is appropriate—that is, general training which seeks to remedy basic gaps in reading and mathematics skills to make job seekers ready for skill training. It is common for such training to be provided through local school districts with funding from federal, state, and local sources. However, increasingly employers have found it profitable to provide such training in classroom settings at the job site (Hollenbeck 1993).

In addition to occupational skill training, OJT, and remedial education, short-term job readiness training may include what is sometimes called “classroom soft skill training.” This includes knowledge about workplace behavior skills or job search skills. Such training is often publicly funded and available through arrangement with the public employment service.

A relatively recent form of publicly funded job training is called postemployment training. It may combine classroom, laboratory, and related activities which are directly linked to continued employment and advancement in a specific job or occupational field. Such retention and advancement efforts have become more prominent as welfare policy has become focused on employment as a means of economic self sufficiency (Rangarajan, Schochet, and Chu 2002).

Publicly funded job training programs in the United States also often provide supportive services for training participants. These include help with child care, transportation, health care, and other personal matters, including counseling for domestic relations or substance abuse.

Youth programs include basic skills training with a workplace context and integrated with occupational skills testing, tutoring, and study

skills training; alternative high school services; instruction leading to high school completion or the equivalent; mentoring; limited internships in the private sector; training and education combined with community and youth service opportunities in public agencies, nonprofit agencies and other appropriate agencies; entry-level employment experience; school-to-work transition services; school-to-postsecondary transition services; school-to-apprenticeship transition services; preemployment and work maturity skills training, and support services (including limited needs based cash payments).

States also provide customized training to employers for their new hires and incumbent workers. In 1999, 45 states had customized training programs, and the total spending on these programs in 1998–1999 was \$593 million. Most of this training was funded from state general revenue or from state taxes that were offset from the state unemployment insurance taxes (Ducha and Graves 1999).

FEDERALLY FUNDED JOB TRAINING IN THE UNITED STATES

Federal lawmakers clearly expose ideologies when debating job training policy. Some have asserted a responsibility to assist individuals who cannot support themselves, calling government assistance an entitlement. Others contend that public assistance obliges the recipient to work in exchange for government support. In the end, laws concerning employment and training policy usually have been shaped from input across the political spectrum, even during the few times that one political party has controlled both the legislative and executive branches of federal government.

As a result of bipartisan negotiation, most federal employment and training laws include provisions for program evaluation. Furthermore, employment laws often have “sunset” provisions which terminate programs failing to demonstrate sufficient cost effectiveness.

Government action to promote employment in the United States has always been prompted by crisis. The federal–state Unemployment Insurance (UI) program was conceived in the widespread hardship experienced from job loss during the Great Depression of the 1930s.

Federal training policy also had its origin in depression era "New Deal" programs for public works. Renewed training efforts thirty years later were greatly influenced by new economic goals and the resulting political struggles fought during President Johnson's "War on Poverty." A summary of the four main postwar federal job training programs is provided in Table 1.2.

Manpower Development and Training Act

The Manpower Development and Training Act (MDTA) of 1962 was marketed to the American public as an antipoverty program. With MDTA, the federal government pursued a centralized and categorical approach to eradicating poverty. Job training was targeted to the low income and welfare recipient populations. Funds were available on a formula basis to communities based on population and estimates of the proportion below the poverty income level.

The federal government managed MDTA funding through 12 regional offices of the U.S. Department of Labor, each of which supervised activity in between four and six states. Sometimes competing agencies within localities bid against each other for federal funding by submitting separate proposals to regional offices for review. Federal grants often did not jibe with one another and occasionally were a duplication of effort. The need for high-level coordination became painfully obvious.

Sunset provisions ended the MDTA in 1969. Though some evaluations had been done by that time, evidence about job training effectiveness did not prevent reauthorization (Mangum 1968). The prime reasons for the demise of MDTA were the administrative structure whereby the authority of state and local political entities was circumvented with federal contracts going directly to local service providers, and the duplication of service delivery at the local level.

Job Corps

The Job Corps, a one-year residential program for disadvantaged youth, was established in 1964 by the Economic Opportunity Act. It provides remedial academic instruction, job training, and other support services. It has remained largely unchanged over the years.

Table 1.2 A Chronology of Federal Job Training Programs in the United States

Program	Training types	Eligibility	Intergovernmental relations
Manpower Development and Training Act (MDTA), 1962	Institutional and on-the-job training (OJT).	Low income and welfare recipients.	Federal funding granted directly from 12 regional offices to agencies in local areas. Administration and reporting structures similar.
Comprehensive Employment and Training Act (CETA), 1973	On-the-job training, classroom skill training, classroom soft skills training, work experience in public agencies, and Public Service Employment (PSE).	Training was targeted to low income persons, welfare recipients, and disadvantaged youth.	Federal funding granted to prime sponsors in substate regions which numbered about 470. Performance monitoring with results reported to the U.S. Department of Labor (USDOL).
Job Training Partnership Act (JTPA), 1982	On-the-job training, Classroom skill training, Classroom soft skills training, and Work experience in public agencies.	Low income, public assistance recipients, dislocated workers, and disadvantaged youth.	Federal funding through state governors to private industry councils (PICs) in each of 640 service delivery areas. PIC performance reports to governors who reported to USDOL.
Workforce Investment Act (WIA), 1998	On-the-job training, Customized classroom skill training, Classroom soft skills training, and Work experience in public agencies.	Access to core services like job search skills and job referral is unrestricted. Training is targeted to the most difficult to reemploy.	Like JTPA, but PICs became fewer (600) workforce investment boards (WIBs) with private sector majority membership. Monitoring is reduced relative to JTPA practice.

SOURCE: O’Leary and Straits (2004).

The first major evaluation of Job Corps was quasi-experimental (Mallar et al. 1980). It found modest positive effects on employment and weekly earnings but no impact on hourly wage rates. A recent study was done as a classically designed field experiment. That study found that Job Corps participation results in significant earnings gains for disadvantaged youth. "Furthermore, earnings gains, educational progress, and other positive changes were found across most groups of participants and are expected to persist as they get older" (Burghardt et al. 2001). Among training programs for youth, evaluation research finds that the interventions most likely to work are intensive, costly, and of relatively long duration.

Comprehensive Employment and Training Act

The 1970s brought a more comprehensive approach to addressing the problems of the economically disadvantaged. Decentralization became the employment policy theme for the decade. It involved the transfer of decision-making authority from the federal to state and local governments. Authority as defined in the legislation and regulations often included responsibility for designing, implementing, and evaluating program activities.

The Comprehensive Employment and Training Act (CETA) of 1973 introduced the concept of a local advisory board to assure that local public interest would guide program planning. The private industry council membership and role were established in the regulations, and in some localities representation was "guaranteed" for constituencies like education and labor. CETA job training was targeted to the economically disadvantaged, welfare recipients, and disadvantaged youth.

Three main findings emerged from 11 major CETA evaluations (Leigh 1990, p. 11). First, there were no measurable employment or earnings impacts for men; however, impacts for women were positive and significant. Second, OJT training is usually more effective than classroom training. Finally, the range of impact estimates was quite wide, despite the fact that all analysts used the same CLMS reporting data. However, it was journalists rather than economists who brought the end to CETA. The public service employment component of CETA became a target for national media criticism when careless manage-

ment of funds and enrollment of program ineligibles were widely reported.

Job Training Partnership Act

The arrival of the Reagan administration in 1981 came with a “conservative challenge on the principles, policies, and programs of the liberal tradition of federal activism in economic and social affairs as it evolved in the half of the century starting with the New Deal” (Palmer 1987, p. 9). A major objective of Reagan-era legislation was to increase earnings and employment as well as decrease welfare dependency. Classroom skill training was identified as a major weakness of existing programs because it was often not the kind of training desired by local employers.

The Job Training Partnership Act (JTPA) of 1982 limited training choices to skills that were in demand by local employers. JTPA also increased the private sector share of members on the advisory committees to ensure that their interests were taken into consideration. Evaluation was an integral part of the program, which was said to be performance-driven through a system of performance standards for participant reemployment rates and earnings. Absent from JTPA was anything remotely resembling public service employment. In response to the widespread layoffs associated with economic restructuring in American business during the 1980s, JTPA job training was targeted to dislocated workers in addition to the economically disadvantaged and welfare recipients.

The performance standards system allowed governors receiving federal JTPA training grants to structure incentive systems, thereby simplifying relationships with substate areas. The performance monitoring system changed training program management and intergovernmental relations. It also complicated the net impact evaluation of programs by introducing the risk of *cream skimming* in program assignment. That is, program managers might select mainly the most able applicants for participation. The result is high observed reemployment rates, although many of the selected program participants may already possess the skills and abilities to get reemployed themselves.

To assure an objective net impact evaluation, Congress authorized a major national evaluation of JTPA based on methods of field experi-

mentation with random assignment of subjects both to training and to comparison groups in 16 sites across the country. Orr et al. (1996, p. 109) report that training to economically disadvantaged adults resulted in 11 percent greater earnings for women and 6.7 percent greater earnings for men. For both genders the earnings gains were mainly due to increases in hours worked. There were positive net benefits to both men and women, and the net benefit to society for both genders was just over \$500 per participant (Orr et al. 1996, p. 189).

An evaluation of dislocated worker programs was initiated during the 1990s but was cancelled in anticipation of substantial program changes resulting from implementation of a new dislocated worker program under the Workforce Investment Act. An evaluation of the new dislocated worker program is now needed.

Our focus on the main job training programs for economically disadvantaged and dislocated workers should not obscure the fact that the number of federal job training programs had proliferated to the point that by the early 1990s there were 163 distinct programs receiving funding (U.S. General Accounting Office 1994). While the great majority of these were small and targeted, including, for example, a variety of distinct programs for separate native American groups, the overlapping management burdens from the large number were seen as a problem. Funding streams for job training of particular target groups sometimes originated in two or more executive departments.

During 1999, which was the final year of JTPA authorization, there were 40 major employment and training programs funded by seven executive departments of the federal government (U.S. General Accounting Office 2000). Two-thirds of the total funding went to just six programs, three of which were JTPA dislocated workers, JTPA summer youth, and Job Corps.

Workforce Investment Act

By the late 1990s, economic conditions had improved to the point where full employment existed in most of the United States. The more than 30 years of searching for ways to reduce poverty through employment policy evolved into a new approach that shifts responsibility from government to the individual, and divests authority from the federal government to the states. It exchanges an emphasis on skill training as

a path to economic security for an emphasis on job placement leading to self-sufficiency and a reduced dependence on public assistance payment.

Two pieces of legislation signed into law by President Clinton, the Personal Responsibility and Work Opportunity Act (PRWORA) of 1996 and then the Workforce Investment Act (WIA) of 1998, illustrate the intended change in federal human resources policy towards self sufficiency and local control.

PRWORA reformed the nation's welfare laws. A new system of block grants from the federal government to the states named Temporary Assistance for Needy Families (TANF) was created, changing the nature and provision of welfare benefits in America. A key feature of the new law was a five-year lifetime time limit on cash assistance.

WIA, signed into law on August 7, 1998, includes many of the political characteristics that are in the PRWORA. It reforms federal job training programs and creates a new comprehensive workforce investment system. The reformed system is intended to be customer focused, to help individuals access the tools they need to manage their careers through information and high-quality services, and to help employers find skilled workers.

Key innovations brought by WIA are 1) one-stop career centers where all employment and training programs are assembled in one physical location; 2) individual training accounts which act as vouchers for job seekers requiring skills improvement for labor market success; 3) universal access to core employment services with sequential, more restricted access to intensive services and training; and 4) accountability monitored through performance indicators.

JOB TRAINING EXPENDITURES AND PARTICIPANTS

While WIA offers broadened eligibility for core employment services, job training remains targeted to economically disadvantaged and dislocated workers. The mix of funding types supported during fiscal year 2001, which was the first full year of WIA operation, is summarized in Table 1.3. Expenditure estimates indicate that a total of nearly \$68 billion was spent on job training during fiscal year 2001. Of this,

Table 1.3 Estimated Expenditures for Job Training Programs in the United States, Fiscal Year 2001 (thousands of dollars)

Programs	Federal funding (\$)	Share of federal funding (%)	State supplemental funding (\$)	State financed customized FY 1998 (\$)	Employer financed 1998 (\$)	Grand total of funding (\$)
Adult and dislocated worker activities	2,540,040	39.6				
Youth activities	1,377,965	21.5				
Job Corps (youth)	1,399,148	21.8				
National programs	528,150	8.2				
Other programs (Non-WIA)	4,500	0.1				
TAA training	94,400	1.5				
NAFTA training	37,150	0.6				
CSE for older Americans	440,200	6.9				
Total funding	6,421,553	100.0	276,621	593,191	60,700,000	67,991,365
Percentage of grand total of funding	9.4		0.4	0.9	89.3	100.0

NOTE: WIA: Workforce Investment Act; TAA: Trade Adjustment Assistance; NAFTA: North American Free Trade Act; CSE: Community service employment.

SOURCE: Wandner, Balducchi, and Spickard (2001).

89.3 percent was privately financed by American employers, 9.4 percent by the federal government, and 1.3 percent by state governments.

International comparative statistics from the Organization for Economic Cooperation and Development (OECD) set the total federal expenditures on job training programs in the year 2000 at 0.04 percent of gross domestic product (GDP). As shown in Table 1.4 this level places the United States in the bottom 20 percent of OECD member nations in terms of government spending on job training. Among the top five spending national governments in 2000, only Germany is among the world's leading industrial nations. Public spending on job training in Japan and the United Kingdom closely matches that of the United States.

Considering spending on all active labor market programs (ALMPs) in 2000—which include the public employment service, wage subsidies, and programs for the disabled and youth—federal job training expenditures amount to 26.7 percent of spending on ALMPs in the United States. Within the broader category of expenditures on all U.S. labor market programs (LMPs)—which for the United States adds UI benefit payments to ALMPs—job training amounted to 10.5 percent of all labor market programs in 2000. So while the United States ranks low among OECD countries in public job training expenditures as a share of GDP, among government labor market programs job training is a relatively important activity in the United States compared to other countries.¹

Among the fiscal year 2001 federal spending on job training, Table 1.3 shows that 39.6 percent went to adult disadvantaged and dislocated workers, 43.3 percent to youth programs (Job Corps and others), 6.9 percent to community service employment for older workers, and 2.1 percent to workers impacted by changing patterns of international trade.

Background characteristics for participants in the three main federally funded employment and training programs are summarized in Table 1.5. Among 113,774 adult participants (JTPA Title II-A) who received more than just assessment in program year 1999, most were female (65 percent), most had at least completed high school (78 percent), the ethnic make-up included 35 percent black and 16 percent Hispanic, disabled amounted to 7 percent, 26 percent were on public

Table 1.4 Government Expenditures on Job Training as a Percentage of GDP in OECD Countries, 2000

Country	Training	As a percentage of GDP		Training as a percentage of spending on	
		ALMPs	LMPs	ALMPs	LMPs
Denmark	0.84	1.55	4.51	54.2	18.6
Finland	0.35	1.07	3.29	32.7	10.6
Germany	0.34	1.23	3.12	27.6	10.9
Sweden	0.31	1.38	2.72	22.5	11.4
Netherlands	0.30	1.57	3.65	19.1	8.2
Portugal**	0.30	0.51	1.34	58.8	22.4
Spain	0.29	0.84	2.18	34.5	13.3
France	0.28	1.36	3.12	20.6	9.0
Belgium*	0.25	1.36	3.70	18.4	6.8
New Zealand	0.18	0.55	2.17	32.7	8.3
Austria	0.17	0.49	1.58	34.7	10.8
Canada	0.17	0.51	1.49	33.3	11.4
Greece**	0.17	0.35	0.83	48.6	20.5
Italy*	0.12	0.63	1.28	19.1	9.4
Korea	0.09	0.46	0.55	19.6	16.4
Switzerland	0.09	0.48	1.05	18.8	8.6
Norway	0.08	0.77	1.16	10.4	6.9
Hungary	0.07	0.40	0.88	17.5	8.0
United Kingdom	0.05	0.36	0.94	13.9	5.3
Mexico*	0.04	0.08	0.08	50.0	50.0
United States	0.04	0.15	0.38	26.7	10.5
Japan	0.03	0.28	0.82	10.7	3.7
Australia	0.02	0.45	1.50	4.4	1.3
Czech Republic	0.02	0.22	0.52	9.1	3.9
Poland	0.01	0.15	0.96	6.7	1.0

NOTE: *1999; **1998. Where GDP is gross domestic product, ALMP is active labor market programs, and LMP is labor market programs. No data available for OECD countries: Iceland, Ireland, Luxembourg, Slovak Republic, and Turkey.

SOURCE: OECD (2001).

Table 1.5 Characteristics and Outcomes of JTPA Training Participants, PY 1999

Characteristics	Adult Title II-A	Youth Title II-C	Dislocated workers Title III
Number of program participants	113,774	58,548	189,794
Female (%)	65	58	54
Aged 14–15 (%)		7	
Aged 16–21 (%)		93	
Aged 22–54 (%)	97		89
Over 55 (%)	3		11
Less than high school (%)	22	71	11
High school (%)	56	26	50
Post high school (%)	22	3	39
Black (%)	35	34	19
Hispanic origin (%)	16	23	13
White (%)	43	38	62
Disabled individual (%)	7	12	2
Welfare recipient (%)	26	19	2
Ex-offender (%)	18	13	5
UI recipient (%)	10	1	69
UI exhaustee (%)	3	1	5
Veteran (%)	6		11
Outcomes			
Entered employment rate (%)	68	47	69
Average hourly wage (\$)	8.75	7.07	11.95

SOURCE: Social Policy Research Associates (2001).

welfare assistance, 10 percent were UI recipients, and 6 percent were military veterans.

Among 58,548 youth participants (JTPA Title II-C) who received more than just assessment in PY 1999, a majority were female (58 percent), some (7 percent) were very young workers (aged 14 to 15), most had not yet completed high school (71 percent), the ethnic make-up included 34 percent black and 23 percent Hispanic, disabled amounted to 12 percent, 19 percent were on public welfare assistance, and only 1 percent qualified to be UI recipients.

The JTPA program provided more than just assessment to 189,794 dislocated workers in PY 1999. Of these, a slight majority were female (54 percent), the great majority (89 percent) were prime-aged workers, a sizeable proportion (39 percent) had education beyond high school completion, the ethnic make-up included 19 percent black and 13 percent Hispanic, disabled amounted to 2 percent, only 2 percent were on public welfare assistance, and 69 percent were UI recipients.

The bottom of Table 1.5 provides some gross outcome information for participants in the three major JTPA-funded programs. Entered employment was 68 and 69 percent for the adult and dislocated worker programs, respectively, while it was 47 percent for the youth program. For youth, sizeable proportions also achieved an employment enhancement or competency which JTPA also regards as success. Among those entering employment at program exit, hourly earnings rates were estimated to be \$8.75, \$7.07, and \$11.95 for adult, youth, and dislocated workers, respectively.

PROLOGUE

This introductory chapter has provided background for the examination of public job training policy in the United States. A review of evidence from evaluation studies of prior job training programs in the next two chapters completes setting the context for a consideration of current and future job training programs. The subsequent three chapters of this book address issues critical to implementation of the new job training strategy established by WIA. This is followed by an examination of the private sector role in job training which involves mainly employed, or

incumbent, workers. An international comparison of public efforts in job training rounds out the exposition. We then offer speculation about future directions for public job training in the United States.

Evaluation of job training in the United States has involved both monitoring gross outcomes through performance management systems, and estimation of net program impacts through comparison group designs. In Chapter 2, "Performance Management of U.S. Job Training Programs," Burt Barnow and Jeff Smith review the development, use, and incentive effects of performance monitoring under CETA and JTPA, and they speculate on the practicality and value of the new approach being tried under WIA. They offer suggestions on ways to improve the implementation and use of performance management systems.

Chris King in Chapter 3 reviews a vast literature on evaluation of federally funded job training programs in the United States, and identifies the population groups and economic contexts where particular types of job training have been most effective.

WIA operations began in most states on the officially designated starting date of July 1, 2000. Ron D'Amico and Jeffrey Salzman provide an overview of the experience to date in Chapter 4, "Implementation Issues in Delivering Training Services to Adults under WIA."

A core theme of WIA is the market orientation of job training selection which involves disclosure by training providers on service effectiveness and informed choice among alternative training services by participants. Janet Javar and Steve Wandner examine mechanisms for screening and certifying job training institutions and other labor market intermediaries in Chapter 5, "The Use of Service Providers and Brokers/Consultants in Employment and Training Programs."

Expression of individual choice in job training selection is facilitated under WIA by the use of job training vouchers. However, the job training market is not *laissez faire*. Vouchers are government funded and customer choice is bounded by information on occupational job demand and job training provider quality. Using information from a classically designed field experiment, Paul Decker and Irma Perez-Johnson in Chapter 6 examine "Individual Training Accounts and Eligible Provider Lists" under WIA.

The focus of this book is on government-funded job training programs. However, American employers spend nine dollars on job training for every dollar spent by government agencies. Robert Lerman,

Signe-Mary McKernan, and Stephanie Riegg balance our investigation with Chapter 7, "The Scope of Employer-Provided Training in the United States: Who, What, Where, and How Much?" Their summary aims to identify areas where public expenditure may fruitfully supplement employer-provided job training.

In Chapter 8, "International Experience with Job Training," Lori Kletzer and William Koch view American job training policies in a broader context. They examine U.S. policy and experience compared with that in selected developed and developing nations. In the concluding chapter, we, the editors of this book, speculate on "Public Job Training: Experience and Prospects" based on the job training experience and trends in the United States and other countries.

Notes

Opinions expressed are those of neither the W.E. Upjohn Institute nor the U.S. Department of Labor, but are those of the authors. Errors and omissions are also ours.

1. These comparisons abstract from the Earned Income Tax Credit (EITC) paid to low-income workers with dependent children in the United States. In recent years the EITC, which is essentially a targeted wage subsidy, totaled about \$30 billion or roughly equal to the total expenditures for LMPs listed in the text.

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ness,” sponsored by Ministry of Labor and Social Development of the Russian Federation, World Bank, and Russian Foundation for Social Reforms, October 2–3, Moscow.

ITEM 6 – UPDATE

CLEAN ENERGY TECHNOLOGY EMPLOYER ROUNDTABLES

BACKGROUND:

Attached please find the draft invitation to the upcoming Clean Energy Technology Employer Roundtables and a report on the roundtables held in the prior year.

Staff will be available to answer questions.

January 5, 2009

Mr. George Fiegl
ADEMA Technologies, Inc.
2620 Mercantile Drive
Rancho Cordova, CA 95742

Dear Mr. Fiegl:

Economic development experts in the six-county Sacramento region have identified the clean tech sector as a key growth area for our region's economy, and are rapidly pursuing strategies to enhance the local market, develop the necessary workforce, create supportive local policies, and facilitate the growth of businesses in this arena. Our efforts are united through a project called the Green Capital Alliance.

As a key leader in a local clean technology company, we'd like to gather your insights on how we can better support your company and industry. You are cordially invited to participate in one of our Clean Tech Business Roundtable luncheons being held in February, 2009. Your input will guide and prioritize our activities in the year ahead.

Our partners include the local Workforce Investment Boards, the Sacramento Metropolitan Chamber of Commerce, universities and community colleges, the Sacramento Area Regional Technology Alliance, local governments and utilities. We hosted a successful series of luncheons in late 2007 with 30+ local clean tech CEOs, and our partners' work plans in 2008 were oriented around their input and advice. We'll use a small portion of the upcoming luncheons to report back to you on our efforts.

The timing of these luncheons presents a unique opportunity for you to weigh in on activities at the federal level, including the pending economic stimulus package and the clean energy focus of the new administration. We'll have a representative from Congresswoman Matsui's office at each session because of her role on the Energy and Commerce Committee. Your advice will also guide the work of the Metro Chamber's "Green Team" that will be advocating for policies and programs in Washington D.C. in April.

Each luncheon will be a fairly intimate meeting to ensure we provide you with as much opportunity as possible to share your perspectives. Please choose the **one** meeting that is most convenient for you to attend from the options below:

Wednesday, February 25, noon – 2 pm
City of Roseville
311 Vernon Street, Roseville

Tuesday, February 10, noon – 2 pm
City of Rancho Cordova
2729 Prospect Park Dr, Rancho
Cordova

Thursday, February 12, noon – 2 pm
Sacramento Metro Chamber
One Capitol Mall, Suite 300, Sacramento

Tuesday, February 17, noon – 2 pm
Sacramento Area Commerce & Trade
Org.
400 Capitol Mall, Ste 2500,
Sacramento

Email RSVPs should be sent to cleantech@valleyvision.org. For further information, or to RSVP by phone, please feel free to call me at (530) 219-1507.

Kind Regards,

Kristine Mazzei
Managing Partner, Valley Vision
Project Manager, Green Capital Alliance

These luncheons are being sponsored by:
SETA/Sacramento Works, Golden Sierra Workforce Investment Board, and Bank of America



Clean Energy Technology CEO Roundtables: Greater Sacramento Region Key Findings

Clean tech company leaders see the region's potential...

"This region has a rare opportunity to create a 'Silicon Valley' or 'Research Triangle' for the clean tech sector—we have all of the resources to make it happen."

Peter Van Deventer, SyanpSense Corporation

August 27, 2007

They recognize the need for regional collaboration...

"We need to work with the Sacramento Area Council of Governments and all of our elected leaders to create a regional renewable energy portfolio standard and regional energy efficiency standards."

Kirk Uhler, Solar Power, Inc. & Placer County Board of Supervisors

September 5, 2007

"In Germany the 'green regions' were built through creating local markets and research institutes. The places with the best incentive programs became the country's leading regions for creating technologies."

Florian Edler, SunTechnics

September 12, 2007

Clean energy companies will create new jobs...

"There is a huge opportunity out there to put a lot of people to work."

Martin Webb, Plan It Solar

September 11, 2007

And, we need to act now...

"The industry is growing, but from a global perspective there isn't much time. Speed is key."

Russell Reyes, Solar City

September 12, 2007

OVERVIEW

Business, education, and community leaders across the Sacramento region are rapidly pursuing strategies to enhance the local market, develop the necessary workforce, create supportive local policies, and facilitate the growth of businesses in the Clean Energy Technology cluster. In order to help prioritize action areas for the coming year, Partnership for Prosperity's Clean Energy Technology Action Team identified the need to connect directly with the region's existing network of clean tech CEOs to hear their perspectives about how our region should support their industries and businesses.

Approximately 70 CEOs from the Greater Sacramento Region¹ were invited to participate in one of four Clean Tech Business Roundtable Luncheon meetings in August and September, 2007. Leaders from 24 clean tech companies decided to attend the luncheons, and leaders from an additional 3 companies were interviewed by phone and email. Each luncheon was also attended by a small group of representatives from regional economic, business and education organizations. The Roundtable luncheons were generously sponsored by the Golden Sierra Workforce Investment Board and the Sacramento Employment and Training Agency/Sacramento Works, and meeting hosts included the City of Roseville, the McClellan Technology Incubator, and the Sacramento Area Commerce and Trade Organization. Valley Vision, through its role as the project manager for the Clean Energy Action Team, provided the staffing support to design and facilitate all four luncheons. A complete meeting-by-meeting record of attendance is detailed in Appendix A.

Over one-third of area companies attended one of the Business Roundtable events. Of the 24 companies that participated, half were solar-related firms that span the full spectrum of technology development and deployment. Many of the solar companies that attended the luncheons play a dual role of developing new technologies as well as designing and installing model systems. Three of the technology firms focus on energy efficiency technologies, while two others focus their research on bio-energy. Two participating companies primarily offer consultation services related to energy solutions. Two companies center on green building production and related products and services. We had one company of each of the following types: electric vehicle sales, advanced recycling technology, and a test facility for new clean technologies.

The emphasis of each luncheon was on gathering insights from the clean tech company representatives on a series of questions:

1. What do you think the Sacramento region should do to become the hub for clean technology businesses?
 - What are the things we should do to set ourselves apart from other regions?
 - What are the factors that helped them to choose to locate their business here?
2. What is the hardest part of being a clean technology business right now?
3. As you look forward to the next 5 -10 years what do you expect your workforce needs will be?
 - Are you able to meet your workforce needs right now?
 - Do you train your employees in-house, or do you hire employees that are already trained?
 - Do you have certain training needs that are not being met by local/regional organizations?
4. What things can be done by local government and your local utilities to better support your growth and development (i.e. developing supportive policies, serving as the trial grounds for new products, easing permitting and regulatory barriers, etc.)?
5. How do you think we could support the expansion of the regional market for clean tech products and services?
6. Do you have certain advocacy recommendations for legislation at the state and federal level that our partners at the Metro Chamber could help you to support?

¹ We considered the Greater Sacramento Region to include companies in Yolo, Sacramento, Yuba, Sutter, Placer, El Dorado, and Nevada Counties.

A small portion of each meeting was dedicated to sharing information about existing programs and projects being spearheaded by partnering organizations, in order to profile some of the available economic development resources in the region.

OUTCOMES

Each Clean Tech CEO Roundtable luncheon was characterized by an air of very open communication, a positive outlook for the future of the sector in the region, and represented genuine relationship-building between companies and our organizational leadership. Important information was gathered about ways our Action Team can better support and grow the region's clean tech sector. Most of these recommendations are for actions that should be focused on at a regional scale, and demand a true partnership approach to successfully fulfill the objectives. Recommendations have been divided into several topic areas, including: Workforce Development, Roles for Local Governments and Utilities, Outreach & Education, Business Development, Funding Support, and State & Federal Engagement.

Within each topic area the gathered information and recommendations are presented as bulleted lists. None of the items have been prioritized based upon feasibility of success, cost of implementation, and potential impacts. Over the next month regional leaders and our partners working on the Action Team will need to review and evaluate this information in order to assess which items should be the focus of our work in 2008.

Workforce Development

The companies that attended the luncheons spanned an array of types of clean energy technologies, as well as missions within the spectrum of research, development, testing, sales, and installation. As expected, the workforce requirements and expectations of these diverse companies varies to some degree, but we discovered a remarkable level of consistency in the needs identified by two broad categories of companies—those that create new technologies, and those that are responsible for sales, service, and installation of clean technologies.

Companies that create new technologies cited the following workforce development needs:

- Engineers, engineers, engineers. Any kind, just more of them. They specifically mentioned mechanical, structural, and electrical engineers. And they'd like high quality ones, too.
- Technology firms need people with senior management skills to help with the business side of the start-up companies.
- Companies would like to retain more PhD and Masters-level researchers from clean technology-related programs at UC Davis.
- Growing companies need financial analysts.

Companies responsible for sales, service, and installation of clean technologies mentioned the following workforce development needs:

- There is a need to create certification programs oriented towards training trade/union employees, contractors, architects, and building inspectors about the types of new green building products and their proper utilization.
- Representatives from our solar companies (including photovoltaic and solar thermal companies) repeatedly requested solar-specific training programs. They recommended courses on solar technologies that would build a basic understanding of the systems and options. Because the technologies are evolving so rapidly, they still expect to do some specific installation training in-house.
- There are opportunities to provide continuing education so that people starting in the solar industry have opportunities to progress up a career ladder. For example, a solar installer may want to go back to school to gain design experience, or project management training.
- We heard from several company leaders that they need employees with “basic skills:”
 - Some science background from high school and/or junior college
 - Ability to draft a formal business letter
 - Ability to work through processes and forms (specifically to complete rebate paperwork)
 - General project management skills
 - Strong verbal communication
 - Effective salespeople
- Companies felt it was important to “train the trainers” at local community colleges about the new technologies.
- People with training in certain trades are able to transfer their skills to clean tech applications pretty smoothly. Specifically, trained plumbers and electricians can be fairly easily taught how to apply their knowledge to new technologies. Furthermore, people with refrigeration expertise can transfer to working on evaporative and cooling efficiency technologies.
- There may be growing opportunities to train workers to do “home performance contracting,” which involves focusing on efficiency-testing existing residential structures to develop of cost-effective energy solutions.

Roles for Local Governments and Utilities

When we asked the CEOs to reflect on the ways that local governments and utilities could better support their companies and industries, their recommendations and examples often fell within a consistent framework:

supportive policy → increased demand for technologies → business growth → CET cluster thrives

CEOs mentioned many examples of how the creation of policies that are supportive of clean energy technologies plays a keystone role in triggering the expansion of the sector. Some of case studies that were referenced during our meetings include:

- ✓ California's creation of aggressive renewable energy portfolio standards accounts for major growth in the renewable energy sector in the state. Several international solar firms have chosen to locate their US headquarters in California because they expect such a significant market expansion.
- ✓ Germany is a world leader in the solar industry because of its commitment to progressive rebate programs and the creation of other government-sponsored incentives to support the installation of green technologies.
- ✓ Davis Electric Cars has been able to successfully market their vehicles to California state employees because of an existing policy to provide free parking and charging for EVs in downtown Sacramento (the benefits are valuable enough to cover the cost of the vehicle).
- ✓ California has been able to accelerate the "greening" of the commercial building sector due to its emphasis on purchasing LEED-certified buildings, and retrofitting existing facilities. It is believed that this has helped to hasten the adoption of new clean building technologies across the board.

Some of the specific policy ideas that were suggested for local government consideration include:

- Facilitate the installation of clean technologies across the entire region
 - Standardize permitting requirements, fees, and process times across all jurisdictions
 - Expedite permit processes and fast-track approval for "green" projects
 - Create fire codes that are amenable to new technologies (specifically rooftop solar installations)
 - Educate building department staff about new technologies
- Increase the strength of the local market by establishing incentive programs for installing new technologies. Providing rebates is one example of how this could happen.
- Offer government facilities that can serve as the pilot testing grounds for new technologies—this will help new companies develop their project portfolios and builds the credibility of their products.
- Serve as a connector between existing clean tech firms and the new companies and building projects landing in a community. Provide new building owners with incentives to buy local clean tech products.
- Assist in bringing new residential developments together to purchase a single, neighborhood-scaled clean energy installation (for instance, support the creation of one solar array to power 100 homes).
- Establish aggressive efficiency mandates for new construction projects.

During our discussions the utilities were strongly encouraged to support local governments in the accomplishment of the above objectives. It was also pointed out that one of the region's economic advantages—lower energy costs as compared to other areas in California—is also creating a barrier for entry for energy efficiency product sales. Many representatives of our local solar and green building companies felt that instituting "time of use" electricity rate structures would help this situation because there would be greater cost burdens associated with peak load times. While PG&E has initiated broad use of this kind of rate structure, SMUD and Roseville Electric have not.

Outreach & Education

Local clean tech company leaders shared many ideas about how the region could do a better job communicating and educating about the sector. Enhanced outreach efforts will help build better understanding of clean tech products, support the expansion of the market, and form connections between clean tech companies and the region's leadership.

Ideas include:

- Elevate the awareness of the companies that exist here right now. Do a better job at marketing the region's success stories, and use local media outlets to share this information.
- There is a need for consumer education, specifically homebuyers, about the advantages and real values of energy efficient features.
- Build connections with the banking community to assist homeowners with financing the purchase and installation of clean technologies.
- Make the process of forging relationships with academic campuses easier, for the purpose of attracting interns and partnering on research activities.
- Local clean energy technology companies would like the opportunity to share their products with other companies that already exist in the region.
- Continue to internally and externally brand the region as a hub for this sector.
- Refine the categories of companies within the Clean Energy Technology arena, and set up business networks within each focus area (i.e. solar, biomass, energy efficiency)
- Create a regional website for the clean tech cluster that has information and links for the following:
 - Available Jobs/hiring
 - Learning about region's companies and technologies
 - Financing support for purchasers of green technologies
 - Existing economic development resources
 - Etc.

Business Development

Several ideas were presented that would further support business growth and development in this sector:

- Help create alliances between clean tech companies that can work together to complete residential and commercial projects (like green builders, solar companies, HVAC installers, etc.).
- As the industry matures it needs support in the creation of acceptable "industry standards" that will help to ensure a consistent level of performance for products and services. Standards need to be created for methods, designs, testing, certification, permitting, fire codes, and installation processes.
- Connect companies with available economic development resources in the region—use a "speed dating" model to expose company leaders to a high number of organizations all in one venue. It should be noted that several organization participants at the luncheons were surprised at how little familiarity the company leaders had with the array of resources currently available in our region.
- Continue to recruit more clean energy technology companies to the region.
- Create more special opportunities like the clean tech business plan competition, and support events like First Tuesday "Angel" Meetings with local investors.
- Recruit vendors for needed base materials that are part of clean technologies—like a company that will locally provide the silicon wafers for photovoltaic panels.

Funding Support

As expected, “young” clean tech companies are seeking as much funding support as possible to help bring their technologies to market. In addition to simply making more funding resources available in the Greater Sacramento Region, company leaders had these funding-related recommendations:

- Help venture capitalists and other investors better understand the differences associated with financially supporting technology development companies versus investing in the “bricks-and-mortar” companies that do product refinement, sales, and distribution.
- Create incentives for local investment in the region’s clean tech companies.
- Companies would appreciate assistance with tracking applicable private, state, and federal funding opportunities to support their businesses.

State & Federal Engagement

Several issues operate at a scale that goes well beyond our regional boundaries—specifically state and federal level challenges and opportunities that affect the clean tech sector. Companies would like to be supported in addressing the following items:

- Support extension of the federal solar tax credit, and support its expansion for the residential marketplace.
- Within California we need to appreciate the “lessons-learned” from the state’s solar initiative (SB1). While it is groundbreaking legislation, it also is associated with dramatically increasing the complexity of calculating rebate amounts and incentive values, which is a time drain for many solar companies and can be a barrier to new business opportunities.
- According to current legislation, it is very difficult to encourage commercial property owners to install solar systems on leased facilities because they can be regulated like mini utilities for serving as power providers.
- Under current law, utilities are required to give customers credit towards their bill if they produce more power than they consume (via a solar installation or other means), but they don’t have to pay the owner for excess power production that goes back to the grid. This artificially limits the incentive to achieve maximum efficiency.
- There should be a statewide effort to raise money to support clean tech companies, like there was to jumpstart stem cell research.
- One company explained that the State’s support for federal grant applications is pulled back when there is more than one California company competing for the funds. This makes the grant approval process more challenging than it should be.
- In the State’s regulatory environment it is more desirable for agencies to set criteria that technologies need to meet, rather than defining which types of technologies are acceptable for use. For instance, the California Integrated Waste Management Board has a “fuzzy” list of technologies they deem acceptable, yet it seems that special interests in the legislature are the ones dictating these lists.

TIPS & BEST PRACTICES

In addition to providing all of the specific recommendations cited above, our clean tech company leaders highlighted several examples of best practices that merit further investigation, and tips to support our overall effort to become the hub for the clean tech sector:

- ✓ Look to the efforts of the Silicon Valley Leadership Group as an example of how to unite the region around shared goals. Specifically, research their Solar Tech effort to help create standards for the solar industry.
- ✓ Study the programs implemented by the state of New Jersey to incentivise PV installation.
- ✓ Leverage the asset of having the Renewable Energy Institute in our region.
- ✓ Our existing strengths in the overall energy sector should serve as a more prominent marketing feature for branding the region—showcase the fact that we are the home to multiple utilities, energy-related companies, and energy experts that have been here for a long time.
- ✓ Created more nuanced distinctions between the types of clean energy technology firms that are blossoming in the region—and provide tailored support to each type of company.
- ✓ Nevada County has a model system for solar installation permitting—the permits are available online and they have a reasonable fee.
- ✓ Tap into the growing pool of retired engineers in the region and get them more active in helping move these companies forward.
- ✓ Certification programs to produce the next generation of clean tech workers should consider using the NABCEP model (North American Board of Certified Energy Practitioners).
- ✓ Cal Poly was mentioned as one university that has developed a solar-focused program within its engineering department.
- ✓ The region needs to be prepared for consolidations to occur within the industry after the current period of rapid expansion has passed. This could have big effects on local companies.

NEXT STEPS

Business Roundtable participants will be asked to carefully review these outcomes and ensure they are on track with the feedback from the four events. Following this period of review, members of the Partnership for Prosperity Clean Energy Action Team will evaluate all of these recommendations and identify which items should be prioritized for action in 2008 based on upon feasibility of success, cost of implementation, and potential impacts. These suggested action areas will be highlighted in the final version of this report.

APPENDIX A

Luncheon Attendees

Date	Clean Tech Company Representatives	Organization Representatives
27-Aug-07	Catherine Brown, DT Solar Eric Toolson, PLEXOS Solutions LLC Jennifer Pecha, SCHOTT Solar, Inc. Peter Van Deventer, SynapSense Corp. Richard Rios, Verde Development Solutions	George Hempe, Golden Sierra WIB Jason Buckingham, Golden Sierra WIB Lew Patridge, Golden Sierra WIB Chuck Neeley, Economic Resource Council Joshua Alpine, City of Colfax Norma Santiago, El Dorado County Board of Supervisors Julia Burrows, City of Roseville Bob Burris, Sacramento Area Commerce and Trade Organization Matt Yancey, Sacramento Metropolitan Chamber of Commerce Kristine Mazzei, Valley Vision
5-Sep-07	Don Rodes, Solar Aire Al Rich, SolarRoofs.com Dave Clark, Sunlight Power Solar Services Jim Bayless, Treasure Homes Kirk Uhler, Solar Power, Inc.	George Hempe, Golden Sierra WIB Jason Buckingham, Golden Sierra WIB Julia Burrows, City of Roseville Bob Burris, Sacramento Area Commerce and Trade Organization Matt Yancey, Sacramento Metropolitan Chamber of Commerce Niki Davisson, Sierra College Raquel Arata, Whole Person Learning Noramah Burch, Whole Person Learning Kristine Mazzei, Valley Vision
11-Sep-07	Mark Berman, Davis Energy Group Rick Bofinger, Jerico Mechanical Bob McChesney, Carbon Sequestration, LLC Andy Minden, Pacific Renewable Fuels Dennis Schuelte, Renewable Energy Institute Michael Theroux, Theroux Environmental Martin Webb, Plan It Solar	Julia Burrows, City of Roseville Bob Burris, Sacramento Area Commerce and Trade Organization Jon Jeisel, Valley Vision Sandy Kirschenmann, Los Rios Community College District Kathy Kossick, Sacramento Employment and Training Agency Kristine Mazzei, Valley Vision Robin Purdy, Sacramento Employment and Training Agency Ingrid Rosten, CleanStart J.D. Stack, Sacramento Area Regional Technology Alliance Matt Yancey, Sacramento Metropolitan Chamber of Commerce
12-Sep-07	Dean Budney, Mobius Technologies, Inc. Florian Edler, SunTechnics Energy Systems, Inc. Silvia Fernandez, Conergy Darlene Kelly, Davis Electric Cars, Inc. John Lefebvre, Solar City Dave Piper, DelSol Power Mark Reimers, Solar City Russell Reyes, Solar City Sergey Vasylyev, SVV Technology Innovations, Inc.	Bob Burris, Sacramento Area Commerce and Trade Organization Julia Burrows, City of Roseville Mark Ingram, Sacramento Employment & Training Agency (Board Chair) Sandy Kirschenmann, Los Rios Community College District Kristine Mazzei, Valley Vision Robin Purdy, Sacramento Employment and Training Agency Brent Smith, Sierra Economic Development District Matt Yancey, Sacramento Metropolitan Chamber of Commerce

ITEM 7 – INFORMATION
SECOND QUARTER REPORTS

BACKGROUND:

These reports will be sent under separate cover for information.