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Frank M. Booth, Inc.

**BRIAN BROADWAY**  
Sacramento Job Corps

**PAUL CASTRO**  
California Human Development Corporation

**N. LISA CLAWSON**  
Blood Source, Inc.

**LYNN R. CONNER –Chair**  
Parasec

**MICHAEL DOURGARIAN**  
Asher College

**ANN EDWARDS**  
Department of Human Assistance

**DIANE FERRARI**  
Employment Development Department

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Sacramento-Sierra Building & Construction  
Trades Council

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County of Sacramento, Economic  
Development

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Sacramento County Office of Education

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Vision Service Plan

**THOMAS P. KANDRIS**  
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**MATTHEW KELLY**  
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**DAVID KIEFFER**  
SEIU-United Health Workers

**GARY R. KING – First Vice Chair**  
SMUD

**DANIEL KOEN**  
California Teachers Association

**KATHY KOSSICK**  
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Xerox Corporation

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Sacramento Area Electrical Training Center

**DR. JENNI MURPHY**  
California State University, Sacramento

**JAY ONASCH**  
California Department of Rehabilitation

**KIM PARKER**  
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Casa Coloma Health Care Center

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Villara Corporation

**DAVID P. YOUNGER**  
Lionakis



SACRAMENTOWORKS

## SACRAMENTO WORKS, INC. PLANNING/OVERSIGHT COMMITTEE

**Date:** Wednesday, July 15, 2015

**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. **Consent Item:** Approval of the May 20, 2015 Minutes
3. **Action Item:** Approval of WIA/WIOA “Stretch” Performance Goals
4. **Information Item:** WIOA Update
5. **Information Item:** SlingShot Project Update
6. **Information Item:** Pending Grants Update
7. **Information Item:** Unemployment/LMI Update
8. Input from the public
9. Adjournment

**Planning/Oversight Committee Members:** Anette Smith-Dohring (Chair), Paul Castro, Ann Edwards, Troy Givans, Kathy Kossick, Frank Louie, Jay Onasch

**DISTRIBUTION DATE: THURSDAY, JULY 9, 2015**

## **PLANNING/OVERSIGHT COMMITTEE**

### **Minutes/Synopsis**

*(Minutes reflect the actual progression of the meeting.)*

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

Wednesday, May 20, 2015  
8:30 a.m.

1. **Call to Order/Roll Call:** The meeting was called to order at 8:31 a.m. waiting for quorum

**Members Present:** Paul Castro, Jay Onasch, Kathy Kossick, Anette Smith-Dohring

**Members Absent:** Ann Edwards, Troy Givans, Frank Louie

**Others present:** Carlos Lopez, Edward Proctor, Terri Carpenter, Michelle O'Camb, Julie Davis-Jaffe, Bill Walker, Roy Kim, Ralph Giddings, Deborah Hennessy, and Marty Araiza

5. Sacramento Works Third Quarter Dashboard

Mr. Ralph Giddings reviewed the third quarter dashboard. At this point we are meeting all of our goals.

Ms. Smith-Dohring asked if we had an opportunity to stretch to see what is reasonable or what is trackable. Mr. William Walker replied that the stretch would be the market data. Ms. Smith-Dohring replied that if we are currently exceeding the benchmarks in every category, she thinks it would be beneficial to know the benchmark AND the stretchmark for which we strive.

The discussion of a 'stretch' mark will be put on the next agenda.

Mr. Kim stated that the California Workforce Association's spring conference was last week and Mr. Walker was recognized as Workforce Development Professional of the Year for his business and employer engagement activities.

Mr. Onasch arrived at 8:41 a.m.

3. Approval of Eligible Training Provider List Waiver Request for the Center for Employment Training

Mr. Kim reviewed the waiver. The CET serves very high number of public assistance and ex-offenders customers and is located in an area of very high unemployment. Mr. Kim reviewed the backup information.

Mr. Kim reported that he is serving on a statewide committee that is looking at a more tailored approach. They will look deeper into the demographics and the customers served; you cannot take a one size fits all approach. Staff is recommending the approval of the waiver.

Mr. Kim reviewed the various ways of calculating the numbers served and the various statistics.

Mr. Lopez stated that the Bureau of Private Post-Secondary Education reviewed exit data and followed up on graduates. The methodology for the entered employment rate is much narrower: the person graduates from training, gets a job in a training-related field, the person must be placed within six months of graduation, and cannot exceed the scheduled training hours. These benchmarks have to be met. CET has more placements but they cannot be counted due to the very constrained definition of entered employment rate. CET has an open entry/open exit policy which means that their customers often exceed the number of hours of training.

The CWIB is working to deal with this and staff is working on it with the CWIB.

Ms. Smith-Dohring asked what their rate would be if there were able to capture all of the placements and Mr. Lopez replied 60-70%. Mr. Lopez further stated that what is important is that this rate is an average of all training centers in California. Mr. Lopez reviewed data provided to SETA proving that CET works with a very low remedial population. Their customer population includes a lot of farm workers and ex-offenders and 57% of their clients are on public assistance. There are multiple barriers that affect the placement rate. CET does not cream their data. They are working to improve their coordination with the career center system.

Moved/Kossick, second/Castro, to approve the CET Waiver Request, and submit a formal waiver request to the EDD on behalf of CET.

Voice Vote: Unanimous approval.

4. Approval of the Workforce Innovation and Opportunity Act, Sacramento Works, Inc., Resource Allocation Plan for 2015-2016

Mr. Kim reviewed this item and stated that staff projected the same allocation as this year but we have received our allocation from EDD and received a decrease; there will be some small adjustments to the chart. The percentages recommended remain consistent with the current program year. Staff anticipates that there will be some changes to the state policy under WIOA. The Agency will be going through a procurement process for training providers.

Moved/Onasch, second/Castro, to approve the Sacramento Works, Inc. Resource Allocation Plan for 2015-16 and forward to the full Sacramento Works Board for approval.

Voice Vote: Unanimous approval.

2. Consent Item: Approval of the March 18, 2015 Minutes

Minutes were reviewed; no questions or corrections.

Moved/Castro, second/Onasch, to approve the March 18 minutes.

Voice vote: Unanimous approval.

6. Input from the Public: No comments.
7. Adjournment: The meeting was adjourned at 9:16 a.m.

### ITEM 3 - ACTION

#### APPROVAL OF WIA/WIOA "STRETCH" PERFORMANCE GOALS

##### BACKGROUND:

At the May 20, 2015, Planning/Oversight Committee meeting, there was some discussion regarding establishing performance targets (i.e., "stretch" goals) that would be internal performance targets and in addition to the negotiated performance benchmarks established by the State Employment Development Department for the Sacramento Workforce Development Area. It was agreed that this item would be placed on the next Planning/Oversight Committee agenda for further discussion and action.

##### RECOMMENDATION:

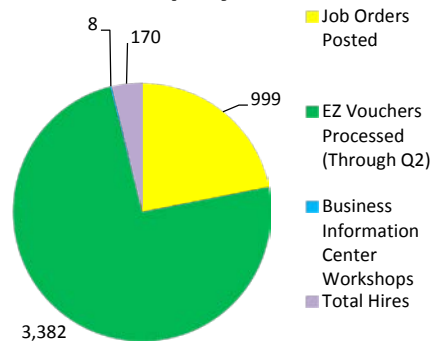
Discuss the establishment of internal performance targets (i.e., "stretch" goals) and take appropriate action.

## Sacramento Works System 3rd Quarter (7/1/2014- 3/31/2015) Report

Dashboard Question	Answer											
<p><b>Sacramento Works Job &amp; Training Center</b>  <b>Universal Access:</b>                      Is the Sacramento Works system meeting the goal of providing universal access services to 16,617 job seekers this quarter?</p>	<table border="1"> <tr> <td>Metric</td> <td>Value</td> </tr> <tr> <td>Benchmark</td> <td>16,617</td> </tr> <tr> <td>Reporting Quarter</td> <td>26,224</td> </tr> </table>	Metric	Value	Benchmark	16,617	Reporting Quarter	26,224					
Metric	Value											
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Reporting Quarter	26,224											
<p><b>Intensive &amp; Training Services: Adult/Dislocated Worker:</b>                      Is the Sacramento Works system meeting the enrollment goal?</p>	<p>3,639 customers received intensive services.</p> <table border="1"> <tr> <td>Metric</td> <td>Value</td> </tr> <tr> <td>Benchmark</td> <td>85%</td> </tr> <tr> <td>Reporting Quarter</td> <td>115%</td> </tr> </table>	Metric	Value	Benchmark	85%	Reporting Quarter	115%					
Metric	Value											
Benchmark	85%											
Reporting Quarter	115%											
<p><b>Youth:</b>                      Is the Sacramento Works system meeting the enrollment goal?</p>	<table border="1"> <tr> <td>Metric</td> <td>Benchmark</td> <td>Reporting Quarter</td> </tr> <tr> <td># of New Enrollments Quarter 3 Goal (Out of School Youth)</td> <td>241</td> <td>256</td> </tr> <tr> <td># of New Enrollments Quarter 3 Goal (In School Youth)</td> <td>190</td> <td>207</td> </tr> </table>	Metric	Benchmark	Reporting Quarter	# of New Enrollments Quarter 3 Goal (Out of School Youth)	241	256	# of New Enrollments Quarter 3 Goal (In School Youth)	190	207		
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<p><b>Common Measures:</b>                      Did the Sacramento Works system meet common measure performance goals for customers completing services? <b>Yes, met all performance measures.</b></p>	<table border="1"> <tr> <td>Metric</td> <td>Benchmark</td> <td>Reporting Quarter</td> </tr> <tr> <td>DW % Entered Employment</td> <td>75%</td> <td>63%</td> </tr> <tr> <td>Adult % Entered Employment</td> <td>66%</td> <td>55%</td> </tr> </table>	Metric	Benchmark	Reporting Quarter	DW % Entered Employment	75%	63%	Adult % Entered Employment	66%	55%		
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<p><b>Job Seeker Customer Satisfaction Survey:</b>                      Are customers satisfied with the services received? (On a scale from 1-5 with 5 being the highest. Cumulative total from Q2 with Q1 revised survey format.)</p>	<table border="1"> <tr> <td>Metric</td> <td>Value</td> </tr> <tr> <td>Number of Surveys Completed</td> <td>423</td> </tr> <tr> <td>Collective Job Center Average Satisfaction Rating</td> <td>4.16</td> </tr> </table>	Metric	Value	Number of Surveys Completed	423	Collective Job Center Average Satisfaction Rating	4.16					
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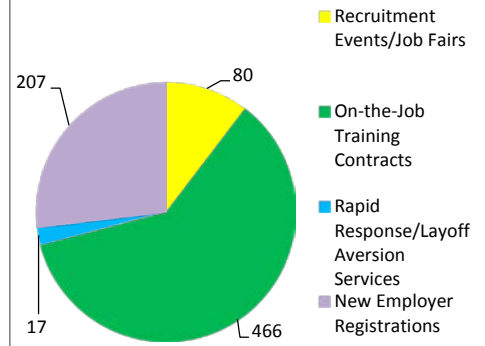
**Employer Services:**  
Is the Sacramento Works system meeting the needs of the region's employers?

### Total Services To Employers



Average Wage: \$13.90

### Total Employers Served



**Sacramento Employment and Training Agency (SETA) and**  
**Sacramento Works, Inc. (SWI)**

**Workforce Innovation and Opportunity Act (WIOA)**  
**Title I, Adult and Dislocated Worker Programs, and**  
**CalWORKs Subsidized Employment, Vocational English-as-a-Second Language (VESL), and**  
**GED Preparation Programs**

**Program Year 2016-2017**

**DRAFT PLANNING CALENDAR**

(Dates and Times are subject to change)

<b>DATE</b>	<b>EVENT</b>
Wednesday, December 16, 2015, 8:30 a.m.	Public Input Meeting #1 – Sacramento Works, Inc., Planning/Oversight Committee
Wednesday, January 20, 2016, 8:30 a.m.	Public Input Meeting #2 – Sacramento Works, Inc., Planning/Oversight Committee
Thursday, March 3, 2016, 10:00 a.m.	Governing Board reviews/approves the RFP
<b>Friday, March 4, 2016, 8:00 a.m.</b>	<b>Release of RFP</b>
Thursday, March 10, 2016, 8:30 a.m.	Offeror’s Conference
Tuesday, March 22, 2016, 4:00 p.m.	Pre-qualification requirements due at SETA
<b>Tuesday, April 12, 2016, 5:00 p.m.</b>	<b>Proposals due at SETA</b>
Thursday, May 5, 2016, 1:00 p.m.	Publish proposal summaries and staff questions/concerns
Tuesday, May 10, 2016, 5:00 p.m.	Responses to staff questions questions/concerns
Friday, May 20, 2016, 5:00 p.m.	Publish SETA staff funding recommendations
Thursday, May 26, 2016, 5:00 p.m.	Deadline to file protest funding recommendations
Thursday, June 2, 2016, 10:00 a.m.	Governing Board funding decisions
Friday, July 1, 2016	Programs begin

**Note:** All meetings will be held in SETA Board Room, 925 Del Paso Boulevard, Suite 100, Sacramento, CA 95815. Telephone: (916) 263-3800



## Fact Sheet: Governance and Leadership

The Workforce Innovation and Opportunity Act (WIOA), signed into law on July 22, 2014, is the first legislative reform of the public workforce system in 15 years. The law supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973.

WIOA presents an extraordinary opportunity to improve job and career options for our nation's workers and jobseekers through an integrated, job-driven public workforce system that links diverse talent to businesses. It supports the development of strong, vibrant regional economies where businesses thrive and people want to live and work.

WIOA retains the nationwide system of one-stop centers, which directly provide an array of employment services and connect customers to work-related training and education. WIOA furthers a high quality one-stop center system by continuing to align investments in workforce, education, and economic development. The new law places greater emphasis on one-stops achieving results for jobseekers, workers, and businesses. WIOA reinforces the partnerships and strategies necessary for one-stops to provide job seekers and workers with high-quality career services, education and training, and supportive services they need to get good jobs and stay employed, and to help businesses find skilled workers and access other supports, including education and training for their current workforce.

### HIGHLIGHTS OF THE WIOA REFORMS FOR GOVERNANCE

WIOA seeks to improve the effectiveness of and streamline the governing structures of the public workforce investment system, empower elected officials and workforce boards, establish structures for working regionally aligned with regional economies, and engage the key stakeholders needed to lead the system to achieve the goals of WIOA.

WIOA empowers State and Local elected officials and private sector-led workforce boards with the responsibility of developing a strategic, integrated plan that supports economic growth and labor force needs intended to grow the capacity and performance of the workforce system. WIOA authorizes the following changes:

- Streamlines membership requirements for State and Local workforce boards while maintaining a majority of business representation
- Requires certification and continuous improvement of one-stop centers by the Chief Elected Officials and the workforce boards

### WIOA PROGRAMS

WIOA authorizes the one-stop career center (also known as American Job Center) service delivery system and six core programs. The core programs are:

- WIOA Title I (Adult, Dislocated Worker and Youth formula programs) administered by Department of Labor (DOL);
- Adult Education and Literacy Act programs administered by the Department of Education (DoED);
- Wagner-Peyser Act employment services administered by DOL; and
- Rehabilitation Act Title I programs administered by DoED.

WIOA also authorizes the Job Corps program, the YouthBuild program, Native American programs, and Migrant and Seasonal Farmworker programs, as well as evaluation and multistate projects.

The law supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973.



# The Workforce Innovation and Opportunity Act

- Adds Vocational Rehabilitation, Adult Education, and Registered Apprenticeship as required board members and increases the voice of labor on the board
- Identifies 13 functions for Local workforce boards. Among them are:
  - Analyses of regional conditions;
  - Leading efforts to engage employers;
  - Leading efforts to develop and implement career pathways;
  - Identifying and promoting proven and promising practices;
  - Establishing standing committees to more effectively accomplish the work of the local boards;
  - Better utilizing technology to facilitate connections among the intake and case management information systems of one-stop partners, to access services provided through the one-stop system (including remote areas), to meet the needs of individuals with barriers to employment, and to leverage resources and capacity;
  - Promoting consumer choice of participants among providers;
  - Enhancing coordination with education providers; and
  - Assessing the physical and programmatic accessibility of one-stop centers annually in accordance with applicable nondiscrimination provisions under Title I of the WIOA and the Americans with Disabilities Act.
- Identifies 12 functions for State workforce boards. Among them are:
  - Review of statewide policies and programs and development of recommendations on actions state should take to align core and other programs in a manner that supports a comprehensive system, including the review and provision of comments on state plans for activities and non-core programs of one-stop partners.
  - Development of guidance for the implementation and continuous improvement of the workforce development system (addressing alignment, career pathways, sector partnerships, coordination between states and local areas, identification of regions, technical assistance, case management information systems)
  - Identification and dissemination of best practices
  - Development and review of statewide policies affecting the coordinated provision of services through the one-stops
  - Development of strategies for technological improvements
  - Development of statewide workforce and labor market information systems

## EFFECTIVE DATES FOR IMPLEMENTATION AND TECHNICAL ASSISTANCE

In general, WIOA takes effect on July 1, 2015; however, the planning requirements common indicators of performance take effect on July 1, 2016 and other exceptions specifically noted in the law.

DOL is working in coordination with the Department of Education and the Department of Health and Human Services to support the public workforce system to implement WIOA. The DOL WIOA Resource Page ([www.doleta.gov/WIOA](http://www.doleta.gov/WIOA)) will include updated guidance and resources, as well as communicate opportunities to provide input. The WIOA Collection Page ([wioa.workforce3one.org](http://wioa.workforce3one.org)) provides links to technical assistance tools and information to support implementation. Questions regarding WIOA can be emailed to [DOL.WIOA@dol.gov](mailto:DOL.WIOA@dol.gov).





Submitted electronically at [www.regulations.gov](http://www.regulations.gov)

June 15, 2015

Administrator Adele Gagliardi  
Office of Policy Development and Research  
U.S. Department of Labor  
200 Constitution Avenue NW  
Room N-5641  
Washington, DC 20210

RE: Workforce Innovation and Opportunity Act; Notice of Proposed Rulemaking (RIN 1205-AB73) & Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; NPRM (RIN 1205-AB74; 1830-AA21)

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Dear Ms. Gagliardi,

On behalf of the National Association of Workforce Boards (NAWB), I am pleased to submit the below comments on the proposed regulations implementing the Workforce Innovation and Opportunity Act (WIOA). These comments simultaneously address regulations proposed by the Department of Labor (DOL) Employment and Training Administration (ETA), RIN: 1205-AB73) and joint regulations proposed by ETA and the Department of Education (ED), RIN: 1205-AB74; 1830-AA21.

NAWB represents approximately 600 Workforce Investment Boards (WIBs) and their 12,000 business members that coordinate and leverage workforce strategies with education and economic development stakeholders within their local communities, to ensure that state and local workforce development and job training programs meet the needs of employers.

Given the scope of the proposed regulations, this comment seeks to look at critical areas for consideration with regards to WIOA implementation. NAWB has encouraged individual members to submit comments about potential impacts with individual states and municipalities.

#### Overall Implementation: Building Workforce Development as a System

Changes to the workforce development system were long overdue. The inclusion of innovation in the title of the legislation addressing these changes suggests that the path forward will encourage stakeholders in workforce development to consider new alternatives that can lead to dedicated, improved outcomes.

NAWB applauds Congress for its vision of workforce development as a “system.” This decision implies that all the investments of the various states and local areas must contribute to, in part:

Supporting the alignment of workforce investment, education and economic development systems, in support of a comprehensive, accessible, and high-quality workforce development system...providing workforce development activities that increase employment, retention, and earnings of participants, and that increase post-secondary credential attainment and as a result, improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet skill requirements of employers and enhance productivity, and competitiveness of the nation.<sup>1</sup>

In order to achieve this high bar, the forthcoming regulations must look at individual sections with an eye towards fluency and consistency, ensuring that all the elements of workforce development are incentivized to have both open dialogue and partnership. While the rest of these comments are devoted to specific sections of the proposed regulation, a common concern is the many places within the proposed regulations that provide an opportunity for states to examine their own policies – not in the light of just WIOA funds, but the total investments states make in workforce development.

NAWB believes that when state policies mandate a percentage of WIOA funds be spent on “training,” they fail to consider the benefits of leveraging other resources such as Pell grants and constrict the ability of local boards to make investments in what they believe are strategic given the situations they find themselves at the local or regional level. The workforce development strategy must be dynamic in order to meet the needs of a rapidly changing labor market.

Since state boards have a mandate to align all investments in workforce, the sum total of all investments needs to be considered. In light of the continued erosion of federal funding, the continued mandate to operate physical one-stops and the critical work outlined for local workforce boards, NAWB asks the Employment and Training Administration (ETA) to emphasize that the efficiency of the workforce development system not be borne by WIOA dollars alone.

Given that parts of WIOA have latitude for additional requirements to be added at both the state and local levels, NAWB believes that continued ETA reminders of the need for flexibility in states and municipalities is critical. Equally important are considerations of changes in three key areas of the regulation: local considerations, training consideration, and performance measures.

### Local Considerations

Within the workforce development system, ambiguity can be detrimental to all stakeholders. Nowhere is this more apt than in sections addressing the role of consultation and regional planning.

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<sup>1</sup> U.S. Government Publishing Office. *Workforce Innovation and Opportunity Act; Notice of Proposed Rulemaking*. 80 FR 20691 (April 16, 2015). Available online at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-16/pdf/2015-05530.pdf>.

*Clarity on Consultation (§ 679.230)*

NAWB requests that ETA offer more clarity with regard to what constitutes "consultation" between/among the Governor and local boards and the Governor, CLEOs and local boards. Experience has shown that individual consultation has improved outcomes for both the chief elected official and the local board. Grouping consultation undermines the integrity of the process. True consultation requires one-to-one meetings between the governor and each individual local area.

*Regional Designation (§ 679.210)*

NAWB believes that there are few sections of the legislation as important as this section. It is critical to local workforce boards, as regional planning/collaboration is a time consuming process to: 1) understand the region; 2) articulate the needs of the various industry sectors; and 3) design strategies inside the capacity of the regional learning providers. Regional plans suggest that the participating entities also assume the work of advocating for the regional needs to augment the capacity of the region to respond to the business needs.

Therefore, NAWB is advocating that the level of consultation in this section be increased to require an MOU between the Governor and the local elected officials. The MOU would cover the rationale for the regional designation and a statement of the expectations of both the Governor and the local elected officials in supporting the subsequent identification of strategies for the regional workforce development system, as identified in the state and local version of the unified plans. Few requirements necessitate such a high level of formal interaction, however, experience dictates this issue has widespread ramifications justifying its need.

*Criteria to Establish a Board (§ 679.350)*

WIOA is explicit on criteria to establish a board, including with regard to membership on the local boards. Additional regulations at the state level are simply burdensome. NAWB urges ETA to include language that limits the criteria the State can add to WIOA language. Moreover, NAWB requests ETA also provide clarity on what is deemed "business" representation.

NAWB is concerned with the inconsistent consideration of local members from chambers, the healthcare industry, and other "industries." In many instances, hospitals are both the major employer and 501(c)(3) registered corporate entities. While non-profit hospitals are a business, some states and some locals do not allow any 501(c)(3) to count as business. NAWB would request that ETA specifically include language that indicates industries dominated by 501(c)(3) corporation status, but who meet criteria of a major employer as defined by large numbers of employees, total wages, and/or growth be counted as business representatives on the WIB. In the case of "local" chambers, they often represent many of the region's small employers and as a result serve as an important representative voice for small business. NAWB requests that ETA recognize this unique circumstance and specify that they, too, be counted as business representatives on the WIB.

NAWB also recognizes that "meds & eds" cover many regions. NAWB requests clarification on whether educational institutions can also serve as business representatives on the WIB. Major universities have large employee needs beyond the classroom; they are a significant contributor to the region's wage pool and can drive the region's skill needs in many occupations (e.g.

administrative work through high-skilled IT). NAWB is requesting that ETA specifically allow local boards to consider their major university a business representative on the WIB, provided the university has employees outside their faculty (including those in their research facilities, business incubators, commercialization offices and incubators) that place them in the top ten employers in the region.

*Stakeholder Convening (§ 679.310)*

This section requires board members to actively participate in convening system stakeholders. Many volunteers do not have the time or expertise in this area, and may need to rely on professional staff. In NAWB's view, this section should be deleted.

*Multi-functions in a Single Organization (§ 679.430)*

NAWB recognizes that in some areas of the country, the workforce board has to serve multiple roles, such as administrative agent, fiscal agent, education provider and one-stop operator. NAWB would request additional clarity regarding what appears to be the need for separation of responsibilities. NAWB would argue that without such clarification, monitors might fall back into defining separations of responsibility through a review of financial record keeping. In NAWB's view such a review is unnecessary and requires resources that could otherwise be devoted to the board mission. Instead, NAWB asks ETA to clearly define what is required in order to prevent monitors from utilizing this burdensome test.

*Fiscal Agent (§ 679.420)*

NAWB believes that under WIA, the role of the fiscal agent was more assumed than delineated and the proposed language for WIOA is a positive regulatory inclusion on the part of ETA. NAWB is still concerned about undue influence of the fiscal agent in situations where the local board is not an independent 501(c)(3). "Host" entities who house the local board's financial management have used their position of designation by the CLEO and have charged exorbitant costs under various cost-allocation schemes. NAWB expects guidance and support from ETA in developing equitable policies as to the cost of the financial support provided to local boards when the board has no recourse to actions by the CLEO in designating a fiscal agent. Further, NAWB disputes the generally accepted belief that local boards cannot indemnify CLEOs through insurance products. NAWB believes that recognition by ETA of the potential for liability assumption would be beneficial in helping the CLEOs make designation decisions.

*Local and Regional Plans (§ 679.500)*

The planning requirements in this section, if properly implemented, stand to be one of the largest, and most overlooked, improvements in WIOA. The potential to develop a deep understanding of the local/regional labor market and the application of that developed analysis to the local/regional workforce development system is extremely powerful in the investment strategies deployed by local boards for funds under their control. This analysis is also critical in helping local and state policy-makers in their investment decisions of funds outside the direct control of the local/regional board(s).

NAWB, however, is concerned regarding the amount of additional regulation that states might impose in the planning process. While ETA in earlier comments on the implementation of WIOA issued a caution to Governor's about the extent of their adding requirements, NAWB

suggests that ETA work with the Inter-Governmental Organizations to develop guidance on the balance between planning and an execution that leads to positive impacts for job seekers and businesses. These two create the dynamic that is the US labor market and the ability to rapidly react to changes in that market is essential for local workforce boards. NAWB believes that success of the workforce system will in large measure be its agility.

*State Board Planning (§ 679.130(f)(1))*

NAWB urges ETA to consider adding an active review of state policies that encourage innovation and as well as hinder innovative strategies that are developed at the local level. The proposed rule provides many sections where the state can be prescriptive of what the local board does, and this section presents an opportunity for the state board to provide scrutiny to policies at their level. NAWB believes the Act has innovation and opportunity in the title for very conscious reasons. ETA itself cautions against over regulation by the state.

Training Considerations

*Training Services (§ 679.600)*

NAWB strongly supports exempting on-the-job, customized and incumbent worker training from the eligible training provider process. Similarly, NAWB concurs that such training should be subject to performance reporting. With regard to training services, NAWB has three additional comments:

- 1) NAWB believes that many local boards have successfully experimented with providing short-term and/or on-line certificate/industry recognized credential training. This innovation allows individuals to continue to work or seek work at the same time they increase their competitive position in the market. NAWB does not expect that this approach should be exempt from performance reporting. NAWB believes that ETA should clarify that if a local board is using short-term and/or eLearning assisted "training," that these training services should be regarded as being provided by the local board, and these approaches should be exempted from the eligible training provider process. NAWB accepts that local boards would not be subject to reporting the outcomes (e.g. entered employment rates, wage gains etc.) for such training to comply with WIOA's customer choice mandate. The ability for local boards to allow individuals access to eLearning-facilitated certification acquisition is in keeping with WIOA's intent to up-skill the workforce and achieve, for the job seeker, a more competitive skills set and retained employment or wage gains sufficient for the individual to be self-sufficient or achieve significantly enhanced economic security.
- 2) NAWB believes that ETA should work with the Inter-Governmental Organizations to develop guidance for the active inclusion of out-of-area and eLearning options into the training approaches of local/regional boards. § 680.520 allows states to establish agreements that enable out-of-area training providers to be part of their own ETPLs, which promotes a customer choice focus. Given the practicality of how these inter-state agreements might be obtained, NAWB worries that there may be unnecessary lost time in responding to monitoring findings that might arise regarding the level of specificity in inter-state agreements and prefers guidance be developed with help from the Inter-Governmental Organizations.

- 3) NAWB supports the exclusion of on-the-job training and customized training providers on the Eligible Training Provider List (ETPL) as these should be matters of negotiation between the local/regional board(s) and the affected business entity(ies). NAWB understands and expects that performance outcome reporting would be a condition of this exemption.

*Customer Choice (§ 680.340)*

NAWB does not believe this section speaks effectively to concept of “customer choice.” Individuals seek education/skills because they believe it will help them be more competitive in the labor market. Unless ETA and the Department of Education (ED) commit serious efforts to develop more extensive information regarding the learning providers, individuals seeking these offerings will continue to be ill informed. Posting information about eligible trainers has not proven to assist the learner. Few providers choose to go through the cumbersome process to become listed on the ETPL, making the lists unrepresentative of the vendor choices actually in the market. This section does little to rectify that concern.

*Eligible Providers (§ 677.230 and § 680.410)*

NAWB is supportive of the discussion and explanation in these sections. Customer choice requires sufficient information for both the local board and the potential trainee/job seeker to be able to make an informed choice. NAWB would urge ETA to consider the work of local boards that already have "scorecards" developed before ETA embarks on developing their own forms. We also suggest that the need for higher levels and higher volume of data necessitates ETA's continued support of technical upgrade grants to states.

*Training Services (§ 680.760)*

NAWB is seeking clarity in regard to the applicable categorization of training services applied to workers whom the local board determines are at risk for lay-off or business closure. § 680.760 suggests that one characteristic of customized training is that "...the employer pays a significant cost of the training, as identified by the Local Board in accordance with WIOA sec. 3(14)."

Given that much of the work of local boards is in conjunction with employers through various industry sector forums, NAWB sees a scenario where workers in a business are determined to be vulnerable to mass lay-off or closure, have the basic skills to transition to occupations in demand but may lack a preferred credential and/or industry recognized certification. These persons would be eligible for Rapid Response as a result of the determination of their being at-risk, and could clearly benefit from skill development, but would lack the employer commitment to pay a significant portion of the training cost. Customized training seems the most appropriate classification since the in-demand industry sectors would have stipulated or could stipulate that the training was necessary to allow the impacted individuals a more competitive position in the market. NAWB specifically requests that ETA include language that exempts the employer match for individuals to receive customized training, when they are determined by the local board to be "at-risk" for lay-off.

The positive economic impact of such a ruling is obvious through reduction in the length of unemployment and more immediate wage earnings. There is no way to estimate the savings at this point since there would be unknown factors that apply to a specific situation/locale.



Nonetheless, NAWB believes that this is a good policy that honors the intent of rapid response to "plan for and respond to situations as quickly as possible."

*Incumbent Worker Definitions (§ 689.770)*

This section requires individuals be employed at a company for 6 months to be eligible for incumbent worker training. We suggest this requirement be eliminated because of its obtrusiveness in accessing employer records and because employers will want all of their employees to receive necessary training, not just those who have been on the job for six months.

*Out-of-School Youth Definition (WIOA § 129(a)(1)(B)(viii))*

The law states that an eligible out-of-school youth includes "A low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment." WIOA regulations should make it clear that a youth enrolled in GED training counts as an out-of-school youth.

Performance Measures

*Performed Successfully (§ 679.260)*

NAWB believes that ETA should provide clarity that "met" standards means hitting 80% or more of the negotiated standard, as has been the criteria under the Workforce Investment Act. A variety of factors might make hitting a specific performance number difficult, and a degree of flexibility should be included in the regulations.

*Addition of Self-Employment to "Successful Outcomes" (WIOA Section 134(a)(3)(A)(i))*

The law allows states to execute a variety of programs, including microenterprise and entrepreneurial training. However, the performance measures required by DOL cannot track self-employment, creating a barrier for jobs training centers to provide entrepreneurial training because they cannot count someone who starts a business as a "successful" employment outcome. Although the DOL has encouraged offering entrepreneurial training via guidance (TEGL 12-10), without the performance metrics change, adoption will remain lackluster.

DOL should use WIOA implementation to change the performance measures to include starting a business as a successful employment outcome to encourage the national network of centers to provide this important training. Tracking the outcome would be simple; a list of proposed measures could include:

- Obtaining a business tax ID and/or proof of business income or revenue
- Obtaining business certifications or licenses (Federal, state, or local)
- Obtaining a business loan or establishing business bank accounts
- Tax filings showing business operation and business income
- Proof of completion and/or certification document from business training organization

Both the proposed rule and WIOA (Section 134) address the need for "an examination of how the Local Board will promote entrepreneurial skills training and microenterprise services." As a

result, it is essential to re-evaluate the performance metrics in order to properly promote entrepreneurial skills training and microenterprise services.

*Measuring Business Effectiveness (§ 677.155(a)(1)(vi))*

NAWB believes that a well-designed customer satisfaction measure is a primary indicator of service quality for local operations. Prior efforts funded by ETA regarding quality in service delivery and the ability to compare satisfaction levels across industries were ahead of WIOA's current call for a business effectiveness measure. Many NAWB local members still conduct customer satisfaction surveys with their business clients, and, in NAWB's view, enhancing these efforts rather than beginning the chase for a new measure(s) provides an opportunity for quick implementation.

NAWB encourages members to periodically conduct focus groups with their customers, both job seekers and businesses, to help fill in information gaps that short surveys do not always reveal. WIOA's specific listing of possible business services provides a way to catalog what business values and is valued in any transaction.

*Employee Retention Tied to Employer Identification Number (FEIN) (§ 677.155(a)(1)(vi))*

NAWB does not believe this is a true indicator of the satisfaction with the placement transaction. Jobs are often not what we expected and employees often do not perform at the level of their interview. Countless books and conferences have been developed that address the "best" hiring process. Employee retention tied to a FEIN should not be used as a means to measure business service performance, except in instances where the employer has a demonstrated history of poor retention and the local board continues to deal with the business.

*Repeat/Retention Rates for Employer Use of Core Programs (§ 677.155(a)(1)(vi))*

NAWB sees potential in this rating, but is concerned with the data collection and application of the measure. How are we to know if an employer chooses to advertise elsewhere for employees rather than list with the local AJC? Local boards cannot be expected to develop market monitoring tools that would track all postings/hires by FEIN. Secondly, while repeat business is an indication of satisfaction, it may be that the employer lists their vacancies as a matter of course and has little interest in actually taking AJC referrals.

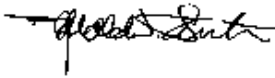
*Percentage of Employers Using Core Programs (§ 677.155(a)(1)(vi))*

Similarly, NAWB believes this measure might have viability, and note that some local boards have used this as a measure. While manageable at the local level, it is unclear whether ETA is capable of developing any comparable information to be used to "calibrate" this rate nationally. What, for example, is a good percentage? If local "A" is listing job vacancies as their prime work and they can state that X% of employers use their job board, is this better than local "B" who eschews this work to take on more intense work with employers in identifying more customized assessments that lead to longer retained employees or who build career pathways with that employer, but deal with fewer employers? Are they comparable? How would this be determined and how would it contribute to the national descriptor of the impact of the WIOA investment?

Increasingly limited resources from the Federal government make service decisions ever more difficult to balance between large numbers served and some sincere level of intensity of involvement.

Together these recommendations offer the combined perspectives of workforce boards across the country facing a wide variety of state and local environs. NAWB is encouraged by reforms in WIOA and appreciate ETA and ED efforts to implement the broad array of changes in the legislation. Nonetheless, there are areas where clarifying, removing, or strengthening regulations will benefit the workforce development system. Specifically, ETA/ED should review the regulations as pertaining to consultation, training and performance measures. NAWB appreciates the consideration of these comments and is available to answer any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald Painter".

Ronald Painter  
CEO  
National Association of Workforce Boards

# National Skills Coalition Comments on Workforce Innovation and Opportunity Act (WIOA) Notices of Proposed Rulemaking (NPRMs)

May 2015

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National Skills Coalition — a broad-based coalition of business leaders, union affiliates, education and training providers, community-based organizations, and public workforce agencies advocating for policies that invest in the skills of U.S. workers — is pleased to submit the following comments regarding the Workforce Innovation and Opportunity Act (WIOA) Notice of Proposed Rulemaking (NPRM) RIN 1205-AB73 (Docket No. ETA-2015-0001), implementing Title I and Title III of WIOA; NPRM RIN 1205-AB74 (Docket No. ETA-2015-0002), “Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions,” and NPRM RIN 1830-AA22 (Docket No. ED-2015-OCTAE-0003), implementing programs and activities authorized under Title II of WIOA.

WIOA replaces the Workforce Investment Act of 1998 (WIA), and reflects the growing recognition that in order to adequately address the skills needs of workers, jobseekers, and employers, we must do a better job of coordinating across multiple education, training, and supportive services programs. WIOA calls for states to develop and implement state workforce plans that incorporate a broad range of federal and state investments, and establishes common performance measures across programs to facilitate greater alignment across systems.

WIOA reflects a workforce system that is constantly evolving and innovating to keep up with the demands of today’s labor market, incorporating proven best practices such as industry or sector partnerships to ensure that training investments are connected to the needs of local and regional industries, and career pathways models that help to ensure that individuals at all skill levels have meaningful opportunities to advance with those target industries. WIOA also updates and expands the allowable activities across the WIOA core programs to strengthen the emphasis on job-driven training strategies and other successful models.

National Skills Coalition strongly supports the vision and goals of WIOA, and we look forward to working with the Departments of Labor and Education — as well as other federal agencies responsible for administration of partner programs — to support the successful implementation of the law. The NPRMs released by the Departments in April 2015 are a critical step towards achieving that vision, and throughout our comments we note areas where we believe the draft rules are consistent with the statutory intent, as well as areas where we believe additional regulatory clarification or guidance may be needed.

Our comments are provided in three sections:

- In the section on NPRM 1205-AB74, we provide comments on the proposed rules relating to state unified and combined plans under new 20 CFR part 676 (and corresponding section under 34 CFR part 361 and part 463), and the performance accountability provisions at 20 CFR part 677 and corresponding sections under 34 CFR.
- In our comments on NPRM RIN 1205-AB73, National Skills Coalition focuses on five key issues under WIOA Title I: 1) the development and implementation of industry or sector partnerships; 2) the development and implementation of career pathways; 3) provisions implementing youth services under Title I-B; 4) the priority of service requirements set forth in WIOA section 134; and 5) the updated Eligible Training Provider List (ETPL) requirements
- Finally, in our comments for NPRM RIN 1830-AA22, we address the draft rules relating to the Adult Education and Family Literacy Act under 34 CFR, with a particular focus on provisions relating to local workforce development board review of Title II applications, integrated education and training programs, and the definition of career pathways as part of English language acquisition programs.

## **1. National Skills Coalition Comments on NPRM RIN 1205-AB74**

### **A. Unified and Combined Plans**

While WIOA largely retains the governance structure and program activities established under WIA, it makes a number of key changes intended to support greater alignment across federal workforce and education programs. One of the major changes under WIOA to support these alignment efforts is a requirement that states develop and submit “unified state plans” covering all core programs authorized under the law, rather than submitting separate plans for each program. The law also authorizes states to submit “combined” plans that could incorporate other federal workforce programs, including programs funded through the Temporary Assistance to Needy Families (TANF) block grant, and career and technical education programs funded under the Carl D. Perkins Act.

The new planning options under WIOA present a unique opportunity for states to strengthen integration between employment, training, and supportive services programs that have traditionally operated in silos. The increased coordination between core programs and other systems could have significant benefits for low-income and other hard-to-serve populations, who are often caught in the gaps when eligibility, performance, or funding requirements are not adequately aligned.

National Skills Coalition believes that the Departments’ proposed rules at 20 CFR 676 (and corresponding sections under 34 CFR) governing unified and combined state plans are largely consistent with these goals. We support the Departments’ inclusion of a “purposes” section at

20 CFR 676.100 that emphasizes the need for greater collaboration and coordination across systems, and in particular referencing the need to ensure that workforce and education investments support the needs of individuals with barriers to employment.

We offer two recommendations that we believe will support the legislative intent of WIOA:

- The draft regulations at 20 CFR 676.105(d)(2), which implement the statutory language at WIOA 102(b)(1)(E), specifically require that unified state plans include strategies for aligning the core programs with optional programs and other resources to support the state’s vision and goals. The term “optional programs” is not used in sec. 102(b)(1)(E), but from the context it is apparent that the Departments intended to refer to the programs described at sec. 103(a)(2) and proposed 20 CFR 676.140(d). National Skills Coalition strongly supports this language, which would help ensure that states engage in cross-program planning and alignment activities even in instances where the states do not choose to submit a formal combined plan. We would encourage the Departments to explicitly clarify this intent by amending proposed 676.105(d)(2) to include “as described in §676.140” after the words “optional programs.”
- The draft regulations at 20 CFR 676.140(e)(4) reiterate the statutory requirement that all of the entities responsible for planning or administering a program described in a combined plan have a meaningful opportunity to review and comment on all portions of the plan. We believe this language could be strengthened to require assurances that all such entities have approved the inclusion of the program in a combined plan, especially where such programs do not fall under the direct control of a governor.

In addition to the specific recommendations above, National Skills Coalition notes that the NPRMs also make multiple references to “joint planning guidance” that will be issued by the Departments at an unspecified date, and which will provide additional instructions relating to the planning process and plan elements, particularly with respect to combined plans. We are concerned that some states may be waiting for definitive guidance from the agencies before beginning their planning processes in earnest, and that this may cause some states to bypass key opportunities for stakeholder engagement in an effort to meet the statutory deadlines for plan submission. This would undermine the alignment goals emphasized under the statute while also reducing access to services for jobseekers and businesses alike.

We encourage the Departments to issue the joint planning guidance as expeditiously as possible, and to ensure that the guidance emphasizes the following:

- Establishing an inclusive planning process. WIOA requires that states provide opportunities for state agencies and other stakeholders to provide input and comments on the development of either unified or combined state plans. The joint planning guidance should clarify that all potential partner programs should be engaged in the development of the state’s strategic vision, regardless of whether the state opts to submit

a unified plan or combined plan, and the Departments should consider emphasizing the opportunity to submit unified or combined plan modifications following submission of the initial plan to ensure that non-core programs continue to be engaged in the planning and implementation process. The joint planning guidance should provide recommendations for how states can develop appropriate outreach and engagement strategies for stakeholders, and documentation of input and comments provided by those stakeholders.

- Cross-program alignment to support key strategies. Sector partnerships and career pathways are proven strategies that align workforce, education, and other programs to create multiple entry points and advancement opportunities for job seekers, including low-income individuals. WIOA requires state and local workforce development boards to implement these proven strategies, but provides limited guidance around how non-core programs and services can be engaged to ensure that they are meeting the needs of target populations and industries. The joint planning guidance could highlight opportunities for alignment at both the state and local levels.
- Encouraging common performance measures. WIOA establishes a set of primary indicators of performance that apply across the core programs, including indicators relating to employment, median earnings, credential attainment, skills gains, and effectiveness in serving employers. States are required to submit proposed levels of performance for each indicator across the core programs as part of the state plan. WIOA does not establish indicators of performance for non-core programs, nor are states required to establish performance levels for such programs. States should be encouraged to apply the WIOA common measures to additional programs. Using consistent measures across additional programs will facilitate coordination across programs. In addition, in setting performance targets for additional programs, states should be encouraged to use statistical adjustments that take into account economic conditions and participant characteristics, such as the statistical adjustments for WIOA, when permissible under the statutes of other programs.

## **B. Data and Performance Accountability**

WIOA contains a number of changes from WIA that will improve cross-program data and performance measurement that will help create a system of shared accountability across the core programs and perhaps beyond. These changes include establishing common performance indicators for the core programs and for training providers, common methods for establishing adjusted levels of performance, common requirements for performance reports, and steps to facilitate common data collection and data linking. Shared accountability recognizes that multiple programs often contribute to outcomes for participants and employers and that multiple programs should be given credit and held responsible for the outcomes. A focus on shared accountability not only reflects this reality, it incentivizes programs to work together to

improve their mutual outcomes. The following comments on the NPRMs for performance accountability are offered in this context.

- **Definitions of “exit” and “participant.”** Proposed § 677.150(c) defines the term “exit” for “the purposes of performance accountability.” The definition of “exit” for the primary indicators of performance should be for a “shared” or “common” exit across WIOA — when a participant no longer receives a service from any of the 6 core programs except for follow-up and informational-only services. This definition of exit would support career pathways and other cross-program participation that can benefit participants. In order to properly implement such a definition, it is crucial for states to have performance management systems that can accurately track co-enrollment.

The Departments should give further consideration to defining “exit” and “participation” for the purposes of the required eligible training provider reporting on all students. The definitions of “participant” and “exit” are not appropriate for the way that most students enroll in and progress through postsecondary education programs at institutions of higher education. For instance, the 90-days-to-exit provision could be the equivalent of a student not taking classes for a summer term. The “exit” definition also raises questions for student transfer between institutions or programs. In addition, postsecondary students participate in a variety of ways that may not be captured by the “participant” definition. For example, many students never officially “enroll” in a program of study, instead taking courses for a period of time before deciding on a particular degree pathway. It is currently unclear what population of students should be included in reporting, and additional guidance is necessary. When possible, this guidance should seek to utilize existing data sources and definitions to streamline data collection and burden on institutions.

- **Employment measures.** The joint NPRM discusses the Departments’ thinking regarding the two Primary Indicators of Performance for employment. The Departments propose collecting or reporting information on two employment measures in addition to the statutory primary indicators of performance for employment. The Departments propose collecting or reporting information on an entered employment measure and an employment retention measure, similar to the measures that were in WIA.

We believe it is a mistake for the Departments to highlight measures of entered employment and employment retention. Focusing attention on these measures is confusing for the system and creates greater inertia impeding the system’s transition from the measures in WIA to the measures in WIOA. The Departments can still analyze data on employment in various ways without drawing attention to the old measures. At a minimum, the Departments should be clearer that collecting or reporting entered employment and employment retention would be for informational purposes only and not for performance accountability. The primary indicators of performance for employment remain as defined in the statutory language and as repeated in Proposed §



677.155(a)(1)(i) and (ii); i.e., the indicators apply to all exiters, not a subset who were, respectively, unemployed at registration or employed during the second quarter after exit. The changes from WIA, among other things, make the employment indicators more useful as common measures for programs and training providers that serve low-income individuals.

- **Postsecondary credential attainment measures.** Proposed § 677.155(a)(1)(iv) implements WIOA's fourth statutory indicator and measures postsecondary credential attainment and high school completion of program participants during participation in the program or within one year after exit. WIOA presents a great opportunity to learn more about the credentials being earned by participants in the workforce system. The credential attainment measure includes a variety of credentials, including licenses and certifications, which are often challenging to track but are important to acknowledge, as they appear to have significant value in the labor market. Regulations on credential attainment reporting should strike a balance between incentivizing collection of better data and unfairly penalizing states that do not have the ability to reliably measure attainment of all types of credentials. The Departments could consider a phased approach for making licenses and certifications part of performance levels, but in all cases, programs should have to start reporting on all types of credentials — by type (i.e. degree, certificate, license, or certification) — received by participants. This would build system capacity and provide valuable information about how different types of credentials correlate with labor market outcomes.
- **Measurable skill gains measure.** Proposed § 677.155(a)(1)(v) measures the percentage of participants who, during a program year, are in education or training programs that lead to a recognized postsecondary credential or employment, and who are achieving measurable skill gains. The Departments are defining this as “documented academic, technical, occupational or other forms of progress, toward the credential or employment,” and are considering using this indicator to measure interim progress. Documented progress could include such measures as: (1) The achievement of at least one educational functioning level of a participant in an education program that provides instruction below the postsecondary level; (2) attainment of a high school diploma or its equivalent; (3) a transcript or report card for either secondary or postsecondary education for 1 academic year (or 24 credit hours) that shows a participant is achieving the State unit's policies for academic standards; (4) a satisfactory or better progress report, towards established milestones from an employer who is providing training (e.g., completion of on-the-job training (OJT), completion of 1 year of an apprenticeship program); (5) the successful completion of an exam that is required for a particular occupation, progress in attaining technical or occupational skills as evidenced by trade-

related benchmarks such as knowledge-based exams; and (6) measurable observable performance based on industry standards.

The Departments' proposed approach for measuring the indicator of skill gains makes sense. As in the Departments' proposal, it is important to recognize academic, technical, and occupational progress and to provide a variety of options for documenting progress. It is also important to require documentation that can be standardized. In this regard, it will be very challenging to identify a way, or ways, to document "(6) measurable observable performances based on industry standards." While this measure is desirable in concept, it may not be possible to implement in a valid and reliable manner.

- **Employer Effectiveness Measures.** The measure of effectiveness in serving employers, Proposed § 677.155(a)(1)(vi) and discussed in the Preamble on Page 20587, should be a shared or common measure or measures across WIOA. A program-by-program approach could lead to competition and duplication among programs seeking to engage with employers.

We recommend two measures of effectiveness in serving employers. One should be the repeat/retention rate for employers' use of the core programs. This is one of the three options presented in the Preamble. The second should be a measure of employer engagement in sector partnerships. We suggest the number of workers employed by businesses participating in sector partnerships. Such a measure would incentivize the formation of sector partnerships and the creation of partnerships of substantial scale. The option discussed in the Preamble of measuring participant retention with the same employer should be dismissed. Individuals typically obtain greater increases in earnings by voluntarily switching employers than by retaining employment with the same employer. The other option discussed by the Departments — a market penetration measure that counts any type of employer transaction — would focus the system too much on the breadth of employer involvement, rather than the depth or quality of employer involvement.

The Departments should empirically test ways of specifically defining and operationalizing the two recommended measures. Over time, the Departments may also discover better methods of measuring effectiveness in serving employers, perhaps due to improvements in technology.

- **Youth earnings measure.** The earnings measure for youth, proposed § 677.155(d)(3), should exclude youth who are enrolled in postsecondary education or training; otherwise, postsecondary enrollment (a good thing) would suppress the earnings outcome by reducing hours of work. This aspect of defining the youth earnings measure could be described in guidance rather than regulation.

- **Applying performance indicators to non-core programs.** The Departments request comments on using the performance indicators identified in § 677.155 for additional programs beyond the core programs. NSC supports the use of common metrics across education and workforce programs whenever possible and appropriate. The WIOA primary indicators would work well for a variety of programs.
- **Use of regression models to adjust performance levels; factors to include.** We appreciate the Departments' commitment to using a statistical model to adjust performance levels — both in advance of the program year to assist with negotiating ambitious but realistic performance targets that allow service to those most in need, and following the program year to account for actual economic conditions and participant characteristics. The Departments request comment on whether any additional factors beyond those in the statute and in § 677.170 should be considered in developing the model. The Departments could consider including race and Hispanic ethnicity as additional factors in the model. State regression analysis has found these factors to be correlated with some performance outcomes. Unfortunately, due to discrimination, there are barriers to education and employment associated with race and ethnicity may be independent of the other factors. The Departments could analyze WIOA data to test collinearity and see whether race/ethnicity might contribute in a statistically significant way to explaining outcomes.
- **Use of Unemployment Insurance/wage records.** We support the Departments' proposed § 677.175, which acknowledges Unemployment Insurance (UI) wage records as the best source for WIOA reporting. We agree, but note that there are gaps in wage records, including those who are self-employed. We urge the Departments to expeditiously issue additional guidance, as was done under WIA, on acceptable ways to track employment outcomes for participants for whom wage record matching is not a viable solution. Furthermore, the indicator outcomes shown on required performance reports should incorporate information from allowable alternatives to wage records.

We also support the Departments' commitment to renegotiate the Wage Record Interchange System (WRIS) agreement to allow all WIOA core programs to use the system for performance reporting. We encourage the Departments to also make clear that all the core programs may use the Federal Employment Data Exchange System (FEDES) for WIOA performance reporting.

- **Weighting of Indicator Scores.** For the overall indicator scores at proposed § 677.190, programs should not be weighted but should instead each count equally. If the programs were weighted by the number of participants, the results for Title III would dominate the average. If the programs were weighted by the amount of funding, Title IV results would count much more than the results for other programs. Counting each program equally supports the goal of shared accountability.

Proposed § 677.190, to measure average performance across indicators and average performance across programs are positive steps that support measuring system-wide performance and shared accountability. Setting a relatively high threshold (such as 90 percent) for the two types of average scores and a very low threshold (such as 50 percent) for the individual indicators helps to further emphasize the importance of system-wide performance. It is difficult to know a priori whether or not 90 percent is too high of a threshold. It may be best to identify thresholds in guidance rather than regulation in order to make it easier to change the thresholds should experience demonstrate that change is warranted. If the thresholds are to be identified in regulation, then it would be better to start with a threshold lower than 90 percent, such as 80 percent.

## **2. National Skills Comments on NPRM RIN 1205-AB73**

### **A. Industry or Sector Partnerships**

WIOA establishes the development and implementation of industry or sector partnerships as a required activity at both the state and local levels. WIOA section 101(d)(3)(D) requires state workforce development boards to assist the Governor in the development and expansion of strategies for meeting the needs of employers, workers, and jobseekers, *particularly through industry or sector partnerships* related to in-demand industry sectors and occupations (emphasis added). WIOA section 134(a)(2)(B) provides that states must use a portion of state set-aside funds to assist local areas by providing information on and support for the effective development, convening, and implementation of industry or sector partnerships. Section 134(c)(1)(A)(v) requires that Title I-B funds allocated to local areas must be used to develop, convene, or implement industry or sector partnerships.

These statutory changes reflect the growing recognition of sector partnerships as a key element of successful workforce development systems. According to a forthcoming National Skills Coalition 50-state scan, nearly half of all states have adopted policies to support local sector partnerships, and research indicates that these strategies support positive outcomes for both workers and business partners. However, despite the emphasis on sector partnerships under WIOA, the NPRMs released by the Departments of Labor and Education provide relatively little guidance on how states and local areas are expected to meet their statutory requirements with respect to industry or sector partnerships.

While we recognize that the lack of specific regulatory requirements may support greater flexibility for states and local areas to innovate, we are concerned that the current draft rules may lead to confusion as stakeholders seek to implement WIOA. In particular, we are concerned that the limited instructions in the draft rules – relative to the extensive guidance provided with respect to other workforce strategies – may signal to states and local areas that the development of industry partnerships is not a high priority, which in turn may result in delayed implementation or expansion of partnerships as scarce resources are allocated to other

services. We believe that this outcome would not only be contrary to Congressional intent, but would also represent a significant missed opportunity for states and local areas to more fully integrate these proven models into the broader workforce development system.

National Skills Coalition recommends the following changes to the NPRMs:

- Amend the unified state plan requirements at proposed 20 CFR 676.105 (and corresponding sections under 34 CFR part 361 and 463) to require states to describe how they will carry out the requirements under WIOA sections 101(d)(3)(D) relating to the development of industry or sector partnerships.
- Proposed 20 C.F.R. 679.510(a)(1)(3)(iii) restates the statutory requirement at WIOA sec. 106(c)(1)(C) that local boards and chief elected officials in designated planning regions engage in a regional planning process that, among other things, results in the “development and implementation of sector initiatives for in-demand industry sectors or occupations.” The final rule should clarify that sector initiatives identified through the regional planning process shall include, but are not limited to, activities carried out through industry partnerships developed pursuant to WIOA section 134(c)(1)(A)(v). The final rule should require regional plans to clarify the relationship between regional sector initiatives and any industry or sector partnerships in the regional planning area, including descriptions of regional industry or sector partnerships that include multiple local boards as partners and – where industry or sector partnerships are implemented in partnership with a single local board – how that local board will minimize duplication of efforts across local areas.
- Under proposed 20 CFR 680, “Delivery of Adult and Dislocated Worker Activities Under Title I of the Workforce Innovation and Opportunity Act,” establish a new subpart H covering Industry or Sector Partnerships. The new subpart should, at a minimum:
  - Describe the purposes of industry or sector partnerships, with explicit language to clarify that simply providing career services or training to employers within in a particular sector or industry is not sufficient to meet the statutory requirements under sec. 134(c)(1)(A). The purpose section should further emphasize the value of engaging multiple partners connected with a target sector – including business, labor, higher education, and other stakeholders – to support the development and sustainability of local and regional industries, and could clarify that addressing the workforce needs of both workers and businesses in target sectors is necessary to the success of these partnerships.

- Reiterate the required partners for an industry or sector partnership as set forth in WIOA section 3(26)(A) and the permissible partners under section 3(26)(B). In particular, define the requirement at WIOA section 3(26)(A)(i) that an industry or sector partnership include “multiple” businesses or other employers. The Department of Labor recently released Training and Employment Guidance Letter (TEGL) 31-14 announcing new sector partnership National Emergency Grants, which among other things requires applicants to identify business partnerships including “multiple (at least three) employer partners that represent a significant percentage of the jobs in the sector of focus.” Establishing similar requirements relating to both a minimum number of business partners and a percentage of current or future job openings in the target sector would be helpful to local areas, though we would encourage the agency to avoid establishing minimums that may discourage the involvement of small and mid-sized businesses.
- Clarify that a local workforce development board does not have to serve as the lead partner in an industry or sector partnership, and clarify that industry or sector partnerships that were established or implemented prior to the effective date of WIOA implementation may be considered as meeting the requirements under section 134(c)(1)(A)(v) so long as the local workforce development board is actively contributing to the ongoing development and implementation of the partnership. This language would help to ensure that local workforce development boards do not duplicate efforts that have already been successful in the target industry or sector, and should also encourage local workforce development boards to strengthen their engagement with existing partnerships, where appropriate.
- Include language that clarifies that local workforce development boards can partner with other local workforce development boards within or across planning regions to develop, convene, and implement industry or sector partnerships, consistent with the proposed amendments to 20 CFR 679.510(a)(1)(3)(iii). It is likely that at least some target industries or sectors will extend across multiple local areas, and sometimes across state lines, and so the final rules should indicate that a local board may satisfy the requirements under WIOA sec. 134(c)(1)(A)(v) through participation in a regional industry or sector partnership, so long as the local board is actively participating in carrying out activities in support of that industry or sector partnership.

- Clarify whether there are minimum activities that a local workforce development board must carry out in order to meet the requirements of section 134(c)(1)(A)(v). While this language should not be overly prescriptive, it should at least provide some examples of ways that local workforce development boards can demonstrate engagement in a partnership, including providing staff support, developing or funding sector-specific training activities (including work-based training), or convening meetings of the partnerships.
- Identify the ways in which states and local areas can evaluate the effectiveness of industry or sector partnerships. As noted in our comments relating to the WIOA performance accountability measures, we believe it would be useful to include a measure of employer participation in industry or sector partnerships as one of the indicators of effectiveness in serving employers required under sec. 116(b)(2)(A)(i)(VI). The final rule should include language that incorporates these performance requirements, and authorizes states and local areas to establish additional performance measures, as appropriate.
- Eliminate the current references to industry or sector partnerships in proposed 20 CFR 678.435, which generally describes the business services that must be provided through the one-stop delivery system. While we recognize that engagement of employers in target industries is a defining feature of successful industry or sector partnerships, as noted above we believe it is also important to distinguish between developing and implementing sector partnerships, and simply providing career or training services to businesses in a particular industry. We are also concerned that despite the clear language at subsection 678.435(a) that indicates that sector partnerships are a required activity, the proposed regulations at subsection 678.4335(c) appear to suggest that industry or sector partnerships are merely one of a range of permissible activities that local workforce development boards may consider in meeting business customer needs. There might be some value in amending the current language to require or encourage local boards to ensure that business services offered through the one-stop system can support the broader goals of industry or sector partnerships in the local area.

## **B. Career Pathways**

While the term “career pathways” has been in use for years, prior to WIOA there had never been a consensus definition, as different segments of the education and workforce development communities have developed a range of strategies – from sequences of specific courses within individual organizations to cross-agency partnerships at the state level – that have been referred to as career pathways programs, models, or systems. WIOA represented the first time that the term had been defined in federal legislation, and while the statutory definition at sec. 3(7) did not encompass all of the elements or characteristics that have been associated with career

pathways, it did appear to provide a set of minimum requirements that would apply to the use of WIOA Title I and II funds, including requirements that a career pathway must enable an individual to obtain both a secondary school diploma or its recognized equivalent and a recognized postsecondary credential, and that a career pathway must help an individual enter or advance within a specific occupation or occupational cluster.

WIOA also made the development of career pathways a required activity at multiple levels within the workforce system, especially under Title I. Under WIOA sec. 101(d)(3)(B), state workforce development boards are responsible for “the development of strategies to support the use of career pathways for the purpose of providing individuals, including low-skilled adults, youth, and individuals with barriers to employment (including individuals with disabilities), with workforce investment activities, education, and supportive services to enter or retain employment.” Section 107(d)(5) requires local workforce development boards to work with representatives of secondary and postsecondary education programs to develop and implement career pathways, and sec. 108 requires that local plans include a description of how local boards will coordinate across the WIOA core programs to facilitate career pathways. Under the WIOA Youth program, career pathways are specifically identified as a component of both the objective assessment and the individual service strategy required at sec. 129(c)(1)(A) and (B).

However, despite the extensive references to career pathways, WIOA is relatively vague on what activities states and local boards must carry out in order to meet their minimum statutory requirements with respect to implementation, particularly whether states or local areas must develop specific policies or procedures to support career pathways. The law also does not clarify whether local boards are required to implement each element outlined in the statutory definition; for example, sec. 3(7)(C) indicates that a career pathway includes counseling to support an individual in achieving the individual’s education and career goals, but it is unclear whether this creates an affirmative responsibility on local boards to document the availability or provision of counseling services with respect to either adult or youth participants. In the particular context of WIOA Youth programs, the statute does not indicate whether the identification of career pathways as part of the assessment and individual service strategy imposes any additional substantive requirements on local areas or youth service providers.

The NPRMs provide little detail beyond asserting that career pathways are a “focus” of the law, and reiterating the statutory language. While we appreciate that the draft rules provide states and local areas with significant flexibility to expand on existing strategies and develop new pathways, we are concerned that in the absence of clear guidance and accountability, states and local areas will have limited incentives to invest in the multi-stakeholder planning and implementation activities that would support inclusive career pathways. This could have particularly serious consequences for prospective participants who have barriers to employment, such as those with low literacy or English language skills. To address these concerns, and to ensure that WIOA’S emphasis on career pathways is fully realized, we would propose that the agencies add clarifying language with respect to state unified and combined



plan requirements under WIOA sec. 102 and 103, local board functions under sec. 107 and the career pathways requirements for youth programs under section 129. Specifically, we would recommend:

- Amending the unified state plan requirements at proposed 20 CFR 676.105 (and corresponding sections under 34 CFR part 361 and 463) to require states to describe how they will carry out the requirements under WIOA sections 101(d)(3)(B) and 223(a)(1)(A) relating to the development of career pathways.
- Under 20 CFR Part 679, Subpart C, relating to local boards, add a new section entitled, “How does the Local Board meet its requirement to develop and implement career pathways?” The new section should clarify the minimum requirements that a local board must satisfy in order to demonstrate successful implementation of career pathways, including the establishment of a formal agreement or partnership between the local board, representatives of secondary and postsecondary education programs, and other entities that outlines the educational, training, and supportive services to be provided by each partner. Consistent with the language under section 107(d)(5), the agreement or partnership should include a description of how services will be provided to adults, youth, and individuals with barriers to employment.
- While not specifically required by WIOA, we believe the final rule should strongly encourage local boards to include representatives of programs providing Title II adult education services as part of the career pathway agreement or partnership. This will help support the statutory emphasis on providing access to secondary school diplomas or recognized equivalents, while also ensuring that individuals with limited basic skills are able to take advantage of career pathways opportunities. The final rule should also clarify that career services and training services supported through Title I funds may be included as part of a career pathway but that there is no requirement that all or any elements of a career pathway be paid for with Title I funds.
- Amend proposed section 20 CFR 681.420 (describing how local board must design WIOA youth programs) to clarify the career pathways requirements under subsections (a)(1) and (2). The amended rule should make clear that the local board may require that youth services be aligned with specific career pathways identified by the local board and incorporated as part of the local agreement or partnership described above, where appropriate. The rule should clarify that the requirement under WIOA section 3(7)(F) that a career pathway must enable an individual to “attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential” does not limit the ability of local areas to serve youth who have already attained a secondary school diploma or its recognized equivalent. The rule should further clarify that the

requirement under WIOA section 3(7)(C) relating to counseling does not create an affirmative requirement for local boards or youth services to provide counseling to any individual, except to the extent that such counseling is consistent with the objective assessment and the individual service strategy.

### **C. Youth Services**

Although WIA technically permitted Title I youth program participants to receive services under other federally-funded workforce programs, in practice youth programs have been relatively disconnected from the broader workforce system. In the most recent year for which national data is available, fewer than ten percent of WIA Youth participants between the ages of 19-21 were co-enrolled in the Adult (workforce) program, and less than one percent were co-enrolled in adult education programs. This lack of alignment meant that many youth participants – particularly older disconnected youth – were unable to take full advantage of the employment and education services for which they were eligible, and many youth service providers experienced barriers in leveraging outside resources to support youth participants.

WIOA made a number of significant changes to Title I youth programs, including increasing the minimum state and local expenditures on out-of-school youth (OSY) participants from 30 percent to 75 percent, requiring that not less than 20 percent of local formula funds be used to support work-based learning, and increasing the age limit for OSY participants from 21 to 24. National Skills Coalition believes these statutory changes will lead to improved employment and education outcomes for disconnected youth by allowing better alignment between youth services and other programs and activities offered through the workforce system, particularly proven strategies like industry or sector partnerships and career pathways initiatives. In general, National Skills Coalition believes that the proposed regulations promote the broader vision of WIOA, and we support the proposed rules under 20 CFR part 681.

We support the proposed language at 20 CFR 681.430(a) clarifying that individuals may be co-enrolled in the WIOA adult and youth programs, and further clarifying that individuals who meet eligibility requirements for Title I youth services and Title II services may participate in such programs concurrently. We believe that this language could be strengthened to encourage local boards to incorporate co-enrollment with other core programs as part of the overall youth program design. The language at proposed 20 CFR 681.400, relating to selection of eligible youth service providers, should include language encouraging local boards to ensure that the competitive process is not structured in a way that discourages or limits co-enrollment of youth participants in other core or partner programs where appropriate. These changes will support expanded access to needed services for youth participants and allow youth providers to leverage partner resources more effectively. They will also send a clear signal to local areas that youth services should not be offered in isolation from other programs, but should be integrated into the broader range of workforce development services offered in the local area.

We support the Department's proposed language at 20 CFR 450 relating to the appropriate length of services for WIOA youth participants. We agree with the Department that the

availability of youth services should not be impacted by artificial timelines imposed by the local area or youth service providers, and we hope that the Department will provide further guidance and technical assistance to the field to support the development of individual service strategies that lead to meaningful employment and educational outcomes for disconnected youth.

National Skills Coalition generally supports the Department's proposed regulations implementing the new work experience requirements under WIOA. However, we encourage the Department to consider explicitly encouraging local areas and youth service providers to coordinate work experiences with employers participating in industry or sector partnerships developed and implemented in the local area pursuant to WIOA section 134(c)(1)(A)(v). While this language should not be overly prescriptive, we believe that such language will support greater alignment between youth programs and employers while also offering businesses access to a broader pool of potential skilled workers. We also recommend that the Department clarify the language at proposed 20 CFR 681.600(b), which implements the statutory requirement that work experiences must include "academic and occupational education," to indicate whether such education may be provided by the participating employer and whether the education must be provided in the workplace.

#### **D. Eligible Training Provider List**

The proposed language regarding the Eligible Training Provider List (ETPL) in sections § 680.400-510, includes good steps that reflect how ETPLs can be best established and maintained in an efficient and effective manner. In particular, the proposed language appropriately describes the Governor's role, including designating a state agency or entity to assist the Governor and coordinate UI data matching. The most valid and reliable, as well as efficient, way to measure training providers' performance is for the state to first collect a small set of seed records from each provider for each student (e.g., social security number, program of study, start date, end date, credential, and demographic characteristics) and then link the records with unemployment insurance wage records and other administrative records used to determine outcomes. In order to meet the ETP reporting requirements in WIOA, as in Proposed § 677.230, the records should be collected, performance measured, and reported for each program of study that a provider wants to be eligible to serve WIOA-funded students.

#### **E. Priority of Service**

Under WIA, one-stop operators were required to provide priority for intensive and training services to recipients of public assistance and other low-income individuals in instances where local funds were "limited." WIOA strengthens this requirement by eliminating the conditional language relating to limited funding, and adding individuals who are basic skills deficient to the categories of WIOA participants who must receive priority of service. These statutory changes will help to address concerns that individuals with barriers to employment were often underserved through the one-stop system under WIA, and ensure that resources are more equitably allocated to support those with the greatest needs.

In general, National Skills Coalition supports the Department's proposed regulations implementing the new priority of service requirements, including proposed 20 CFR 678.430(b) that would designate those career services subject to the priority of service requirements as "individualized" services, and the requirement at 679.560(b)(21) that would require local plans to include a description of state and local directions to one-stop operators relating to priority of service. We do have some concerns about the proposed language under 20 CFR 680.600(c), which would authorize states and local areas to give priority to other eligible individuals so long as such priority was consistent with the requirements relating to veterans; though we recognize that there may be valid reasons for designating other categories of participants for service priority, there is a risk that states or local areas could dilute the statutory intent by adding multiple categories. We believe the language should be strengthened to clarify that any such designation must be subject to both the veterans priority of service requirements at 20 CFR 680.650 and the general priority of service requirements under 20 CFR 680.600(b).

### **3. National Skills Coalition Comments on NPRM RIN 1830-AA22.**

Among the key changes to Title II under WIOA is a greater emphasis on the connection between adult education programs and employment. Both state eligible agencies and adult education providers are directed to foster well-functioning connections between Title II and Title I services, as well as Title II services' connection to local education, training, and support services more broadly. National Skills Coalition supports the intent of these changes, and encourages the Departments of Labor and Education to continue collaborating to provide meaningful guidance to the field on the most effective means of accomplishing WIOA's mandates in this area.

In addition, WIOA for the first time establishes statutory authorization for the program now known as Integrated English Literacy/Civics Education (IEL/CE), which had previously been authorized by Congress on a year-by-year basis. National Skills Coalition supports the robust and detailed conception of IEL/CE as detailed in the WIOA statute and the NPRM, including the emphasis on connection to employment and the specific affirmation of eligibility for English Learners who have credentials from abroad.

Throughout the NPRM, the Department proposes to formalize and standardize processes that have previously been conducted outside the regulatory system. National Skills Coalition generally agrees with these proposals, such as the proposal in 34 CFR Part 462 regarding the Secretary's authority to approve tests suitable for use in the National Reporting System (NRS). Increased standardization allows state agencies and providers greater predictability and stability.

National Skills Coalition makes the following recommendations with respect to NPRM RIN 1830-AA22:

- **Elimination of current 34 CFR 462.44 relating to educational functioning levels.** Current 34 CFR 462.44 describes the descriptors for educational functioning levels that states and local providers report to the NRS. Because the Department is currently in the process of redefining the indicators through a separate information collection process, the Department proposes to remove and reserve section 462.44. National Skills Coalition supports this proposal, as revising these descriptors via an information collection process rather than regulation will allow for greater responsiveness in making these and future adjustments.
- **Process for local board review of Title II applications.** WIOA section 107(d)(11) promotes coordination between local workforce development board and adult education providers by requiring that the board review a provider’s application for Title II funds before the application is submitted to the state eligible agency. Given the uncertainty that is likely to accompany any new requirement, and the fact that a given adult education provider may be working in more than one local area, National Skills Coalition agrees with proposed Sec. 463.21, which requires eligible state agencies to establish a uniform procedure to be used by Local Boards for this review.
- **Establishing “demonstrated effectiveness.”** We agree with the proposed mechanism at 34 CFR 463.24 allowing eligible providers to establish that they have demonstrated effectiveness through the use of past performance data. Providing past performance data is a clear and compelling measure of whether a provider is capable of meeting WIOA performance standards. We would caution that in order to ensure equality of consideration for prospective providers serving harder-to-serve participants, it would be valuable for the Department to develop guidance for state eligible agencies to take into account the characteristics of participants served by providers in considering whether or not a provider’s performance is sufficient.
- **Defining career pathways for English language acquisition programs.** Proposed section 463.32 provides three potential ways in which English language acquisition programs can satisfy the requirement that the program leads to attainment of a secondary school diploma or equivalent and transition to postsecondary education and training or leads to employment. One of those proposed ways is “designing the program to be part of a career pathway.”

As we note in our response to NPRM RIN 1205-AB73, both the WIOA statutory language and the draft regulations are unclear on how states and local boards must meet their career pathways requirements under Title I. We strongly encourage the Departments to strengthen and clarify the rules relating to career pathways implementation, including whether the term as applied under section 463.32 requires

coordination with career pathways being implemented by local boards pursuant to WIOA section 107(d)(5).

- **Defining “integrated” education and training.** Proposed section 463.37 defines how a program providing integrated education and training can meet the requirement that the three required program components be “integrated.” We agree with the proposed requirement that programs have a “single set of learning objectives that identifies specific adult education content, workforce preparation activities, and workforce training competencies.” We would encourage the Department to consider whether it may be appropriate to provide additional guidance to states and eligible providers on appropriate tools for measuring workforce preparation activities and workforce training competencies. Unlike adult education content, these two areas are newer curriculum elements for many providers, and it may be valuable to offer resources on how they can best be measured.

Finally, as we note in our comments with respect to NPRM RIN 1205-BB74, we encourage the Departments to issue additional guidance on acceptable ways to track employment outcomes for participants for whom wage-record matching is not a viable solution. Some participants served in Title II programs, though employed, will not be able to be matched with state UI records. It is important that states be provided with supplemental options to verify the employment status of such participants, to ensure that the full array of outcomes is captured. The Departments had issued such guidance in the past under WIA and it should be reissued for WIOA.

# Sacramento Region Project SlingShot: Employer Engagement Summary

The mission of Project SlingShot *is to strengthen the Capital Region's Innovation Ecosystem and to spur economic growth and job creation.* The Capital Region's SlingShot initiative will advance regional economic prosperity and improve income mobility. The Capital Region's SlingShot initiative addresses a key priority of the region's cluster-based economic strategy **Next Economy**. Innovative businesses – both start-ups and more established firms – increase economic productivity, making rising wages and income mobility possible. Through SlingShot, the Capital Region Coalition will develop and implement a strategy for increasing the region's capacity to innovate while ensuring the residents are prepared to access new workforce opportunities being created.

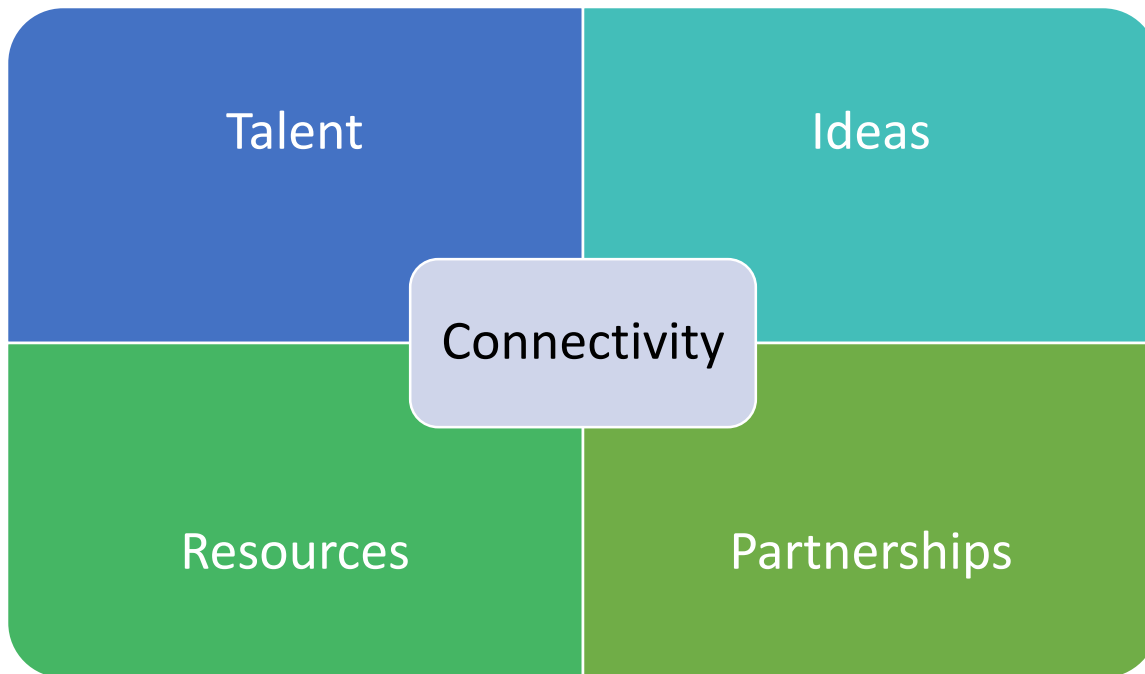
## Engagement Profile

Four WIB partners, Sacramento Employment and Training Agency (SETA), Golden Sierra WIB, North Central Counties Consortium, and Yolo County WIB, supported by Valley Vision and other SlingShot partners have worked together to identify employers that represent multiple stages of entrepreneurial growth and are from the diverse geographic expanse of the Capital region. The SlingShot team has engaged with entrepreneurs, businesses and/or CEOs across four sectors in April-June 2015 for Project SlingShot (Appendix A). The team's activities include: visiting the geographic sub-regions of each partner WIB, meeting with entrepreneurs across the spectrum of business growth ranging from early stage to established companies, hosting a focus group with more established entrepreneurs, and participating in events, workshops and gatherings held for and by entrepreneurs and businesses. These gatherings include meetings and meet-ups convened by resource partners, business accelerators, co-working spaces, incubators, and a variety of service providers.

Through group meetings, events and individual interviews, the SlingShot team gained an understanding of the current Innovation Ecosystem and its assets and gaps, the current and potential future commitments of employers/entrepreneurs (Appendix B). The team also identified champions and business leaders who are committed to participating in creating a healthy innovation ecosystem through the SlingShot process and implementation.

## Emerging Themes within an Innovation Ecosystem

John Selep, a Venture Capital Investor who is deeply involved within the Entrepreneur Innovation Ecosystem, articulated a model Innovation Ecosystem that expresses the elements of a healthy ecosystem. This model will provide a framework for examining the themes that emerged through our employer engagement.



The following sections summarize the input garnered thus far from the above activities and consultations with entrepreneurs and businesses, reflecting their perceptions on the state of the Innovation Ecosystem.

**Talent:** Can employers find, attract and retain the right individuals with the needed skills, knowledge and talent?

**Reported Assets:**

- UC Davis as a research institution is a reliable source of talented graduates with specialized skills.
- The region has talented individuals: *“There is plenty of talent here. This is a much cooler place to live than people realize. The economy will start working in our favor. Timing of this discussion is quite good.”*
- New pathway programs offer great potential to train students for jobs and connect employers to schools and students.

**Reported Gaps:**

Entrepreneurs note that while the talent exists in the region, these talented individuals are hard to find and attract. Higher education institutions often do not have a good interface with businesses and are not aligned with preparing students to be part of an entrepreneurial economy. A CEO noted that his effort to hire Sacramento State students at \$45,000/year after graduation was not well received by advisors at Sacramento State because of the low salary. Employers pointed to a larger trend where educational institutions do not value entrepreneurialism and students are not taught entrepreneurial skills or prepared with the awareness that entrepreneurialism is a viable career option. UC Davis has been slow to work with private companies or engage in economic development activities within the



region. The bureaucracy of UC Davis is difficult to navigate, and making progress with a single department or individual does not translate to systemic change.

In Yuba County, K-12 educational resources and rigor are lacking, with cuts in high school science and engineering programs in the last year. It is difficult to cultivate a talented high level workforce without these educational resources. Additionally, one CEO in Yolo County said that finding the right talent is very time consuming for small, nimble firms and there are not good networks that connect talented young professionals with companies.

Early stage entrepreneurs pointed to the rigorous and cumbersome requirements by higher education institutions for interns. Because early startups are not as well documented or vetted by official channels, it is much harder to be approved for an accredited intern program. However, early startups have much to offer students in terms of varied and high value work and could benefit greatly from having interns.

Employers noted the importance of sales skills and the need to hire good sales staff in order to get to the next level of business growth. All startups need to have strong salesmanship and not all entrepreneurs/founders are equipped with that skill.

### **Ideas and Opportunities**

- Start training in entrepreneurial skills when students are young, for critical thinking and overall business skills.
- Build an awareness in students about entrepreneurialism as a profitable and viable career path.
- Have an “Intern Fair” event where startups and companies do fast pitches to college students. Form relationships with colleges to align intern programs with startup objectives when possible
- Engage more Entrepreneurs/CEOs as guest speakers in schools.
- Develop more shared cost internships/externships.
- Within a business: allow interns to experience multiple roles in order to enable them to find their place within a company and try different things.
- Create a better job board connecting young talent to companies.

Ideas: Does the Capital region have a culture where ideas are cultivated and can be developed to business plans and products?

### **Reported Assets**

- There is a lot going on – downtown is cool. *“Civic amenities are changing. We have \$2 billion coming in with the Arena and other downtown investments. It’s going to be cool, which will attract millennials to come and live and stay here.”*
- Sacramento is a great place for the mature entrepreneur who wants a family and home and to start their idea.
- Davis has a strong Ag Tech hub.
- Co-working spaces like Hacker Lab and Urban Hive have sparked a sense of excitement and have engaged the imagination of the community.
- SARTA and Velocity Venture Capital increased focus and resources for helping to grow and support entrepreneurs.

## Reported Gaps

A region that can support ideas is a region that has an entrepreneurial culture. Employers perceive that the government culture permeates the Capital region and stifles innovation and entrepreneurship. They also note that the region lacks a cohesive and positive identity, and this also discourages excitement about and development of new ideas. Being so close to Silicon Valley and the Bay area is seen as both an asset and a liability. On one hand, services, networks, and “juice” from the Silicon Valley and the Bay Area can serve entrepreneurs, infuse entrepreneurialism in the Capital region and is an advantage. On the other hand, Sacramentans constantly feel comparatively inferior to the innovation of that region, and that our ideas leave the region as entrepreneurs seek needed investment. Entrepreneurs also noted that regulations and the California business climate are challenging for companies. In a meeting with the Sacramento Metro Chamber’s Economic Development Committee, it was noted that many businesses and entrepreneurs are not aware of the resources that are available.

Early stage entrepreneurs noted that there needs to be a general recognition that not all startups are homeruns. Many entrepreneurs build sustainable businesses without becoming multi-million dollar businesses.

## Opportunities/Ideas

- Generate more crowdsourcing to foster entrepreneurialism.
- Build from the momentum of downtown development – this will attract new growth and talent.
- Support the successes of existing hubs of activity, like Hacker Lab and Urban Hive.
- Increase awareness of existing resources.

Partnerships: Are existing companies and service providers within a sector communicating and working in mutually beneficial ways?

## Reported Assets

- In Yuba County, the Business Consortium is a partnership of service providers that meets regularly to align services and assess needs.
- SARTA publishes a comprehensive calendar of events for startups.
- MedZone is a potential catalyst for the health sector.

## Reported Gaps

One issue that came up for early stage startups is of the lack of opportunity to work with larger companies, especially to obtain meetings regarding the process for developing and selling products or becoming eligible for local procurement.

Many entrepreneurs were critical of the delivery of Small Business Administration (SBA) programs including the Small Business Development Center network and SCORE, along with other business support services. High level or high growth entrepreneurs note that these services aren’t responsive to their needs and that the government system that businesses have to navigate erects barriers and prevents growth at the worst and is cumbersome at best. Some tech and younger entrepreneurs in particular feel that “traditional” business support programs and organizations are not relevant for their needs, especially for startups.

Entrepreneurs noted that the system of support is fragmented and siloed. SARTA, Valley Vision, Metro Chamber, Greater Sacramento, SBA - there are many avenues of support but it does not feel that they are all "singing from the same hymn book." Networks of entrepreneurs are also fragmented. Young talent is missed because there isn't a clear pathway for them to innovative regional companies.

### **Ideas/Opportunities**

- The Yuba County Business Consortium could be a regional model to connect and align service providers.
- Sacramento Metro Chamber, which is implementing the new Capital Region Small Business Development Center network, is working to become more responsive to needs of entrepreneurs by hiring high level consultants to provide help, including sales help, and to become more visible throughout the region, working with a diverse network of partners and rebranding and marketing available services.
- SlingShot is a vehicle to advocate for policy alignment within government and to foster the development of the Innovation Ecosystem.
- A single One Stop (not State, Federal, County and City) that truly streamlines permitting and other governmental regulations would help businesses.
- Recognize that in a healthy ecosystem, smaller nimble companies can develop products and services for larger companies, and need larger companies to be a market for these new products and services. Local CEOs could find baseline items to which they could commit, to support startups. For example, if Greater Sacramento sent the message among its CEOs that supporting startups is a priority for the region, this could translate to practices that enable more local procurement from startups.

[Resources: Is there adequate access to capital, including financial capital and physical infrastructure needed for innovative companies?](#)

### **Reported Assets**

- A new partnership between UC Davis and HM Clause, a Davis biotech company, opened a shared wet lab space for UC Davis affiliates.
- Velocity Venture Capital, Hacker Lab, The new Hacker Lab Sierra College in Rocklin, Urban Hive and the UC Davis AgTech Innovation Center are resources for entrepreneurs in early to mid-stage as well as helping create an educational pathway for entrepreneurial skills.

### **Reported Gaps**

Entrepreneurs report that the Capital region lacks investment capital. The Angel network is very sparse and not well connected or responsive to entrepreneurs. The Venture Capital (VC) investors' network is also lacking, and there is a lack of human capital that is needed from VC investors. A good VC investor will serve in a supportive and advisory role to a startup, but that does not happen enough in the region. *"There isn't really a well-established process to fund startups here."*

The CEO of a chemical company also noted that getting the materials and wet lab space to create their products is difficult in Sacramento. There is a general lack of wet lab availability; wet labs are expensive to create, and there isn't a recognition that they are needed. He gave the example that a company folded and moved out of their wet lab. Instead of preserving it and marketing it, the real estate

company gutted it and sold it as office space. The need for wet labs was noted for sectors including health and ag-related.

Several entrepreneurs noted the need for more meeting spaces and places for entrepreneurs to connect. This is especially a gap in the more rural areas of the region.

### **Ideas/ Opportunities**

- One entrepreneur suggested creating an entity that mimics the function of VC Investors – highly specialized to fund opportunities for startups, which would function as a Financial Concierge.
- Develop shared specialized spaces: shared wet labs in and around Sacramento and shared cold storage in Glenn County were both mentioned as examples. For example, Micromidas, a startup company in West Sacramento rents out wet lab space at low cost because CEO John Bissell recognizes this regional challenge.
- Use SlingShot to create an Innovation Fund to support entrepreneurs.

[Connectivity: Is there adequate communication and collaboration? Is there a place or way for collision and serendipity?](#)

### **Reported Assets**

- SARTA, Velocity Venture Capital, HackerLab, Urban Hive, Capsity, UC Davis Ag Tech Innovation Center and DCA were cited as valuable venues for events, support and hub of entrepreneurial activity.
- Entrepreneurs Organization (EO), a peer group for CEOs/Founders of companies netting over \$1 million in annual revenue, is a major source of support and peer mentoring for its members.
- Specific SARTA groups, such as, MedStart and CleanStart were named as important resources.
- Individual people were cited as connectors and supporters of entrepreneurship. Andy Hargadon, at the UC Davis Child Family Institute of Innovation and Entrepreneurship, Gary Simon, in affiliation with SARTA and CleanStart, and Jack Crawford and Monique Brown of Velocity Venture Capital were all cited as individuals who are critical to entrepreneurial networking in the Capital region.

### **Reported Gaps**

Entrepreneurs were clear that mentorship with others in similar companies (within the same sector) is critical for entrepreneur success. Early stage entrepreneurs need to be mentored by those with more experience to help normalize their expectations and guide them. Established CEOs need a network of other CEOs with whom they can be honest and vulnerable. Entrepreneurs across the board noted that at meet ups and regional gatherings organized by service providers, there are too many service providers (and people trying to sell things to the entrepreneurs). This compromises the innovative potential of these meet ups. CEO networking groups were reported to be weak in the region. Entrepreneurs noted that time to talk without a preset agenda is critical for personal connections to grow. They also noted the importance of creating those personal relationships – networking is not done at a company or agency level; connectors are people who create and foster personal connections to others and can bring people together. PackageOne CEO Tom Kandris, and Velocity Venture Capital CEO Jack Crawford were both cited as key leaders and mentors.

The need for a space of physical convergence came up across the board for entrepreneurs at all stages of business growth. The lack of a centralized and known place to converge, where entrepreneurs know that others will be, was reported as a major gap.

Across the board, entrepreneurs noted that in order for connectivity to occur, it must be entrepreneur led. Agencies can help create conditions and support entrepreneur needs, but events, activities, or places of convergence must be by entrepreneurs for entrepreneurs.

### **Ideas/Opportunities**

- Create a venue for entrepreneurs (for example, a bar) connected to other resources (such as co-working space, meeting space, resources/services) that will facilitate “collisions” and the creative process.
- Develop innovation districts: centralized places for specific types of innovative enterprises. For example, Councilman Jay Schenirer is working on a MedZone in Oak Park – a centralized hub of medical technology companies and services built around the medical assets located in the community. Other innovation hubs are popping up in the region – Davis is gaining traction as a hub for Ag Tech. Mayor Johnson has proposed the Railyards as a location for an Innovation District. The UC Davis World Food Center will be developing a new Innovation Institute for Food and Health that will be a regional asset.

### **Commitments and Next Steps**

Appendix B outlines the general commitments thus far of employers and SlingShot partners. The next step is to prioritize ideas and opportunities and get more specific commitments from employers and partners.

Throughout June through August, the SlingShot team will continue outreach and carry out the next steps of prioritization and creation of the implementation plan.

## Appendix A

### Business and Service Provider Engagement, April – June 2015

#### Businesses/Employers

Name	Company	# Employees	Annual Revenue	Sector
Bryan Barton	innerVid	0	\$10,000	Information, Communication and Technology
Mark Berman	Davis Energy Group, Advanced Energy Group			Clean Technology
John Bissell	Micromidas	45		Clean Technology
John Bodrozic	HomeZada	3	\$75,000	Information, Communication and Technology
Gale Brodie	Waddell & Reed			Business Services
Mike Cappelluti	The Highlands Consulting Group LLC	14	\$4.5 million	Information, Communication and Technology
Jessica Clark	RTB Consulting	1	\$750,000	Services – Management and Consulting
Tamiko Gaines	HM Clause			Food and Agriculture
Jeff Hallsten	Hallsten Corporation	>50	\$10-15 million	Advanced Manufacturing
Mark Haney	Mark Haney Realty Group			Construction, Security, Business Services
Marcus Haney	Mark Haney Realty Group			Construction, Security, Business Services
Mike Hart	Sierra Energy Group			Clean Technology
Tom Kandris	PackageOne			Advanced Manufacturing
Neal Liggins	LocalStar	0	<\$5,000	Information, Communication and Technology
Lance Loveday	Closed Loop, Forager	25	\$6 million	Information, Communication and Technology and Marketing Services
DeLania Lustig	Sacramento Business Journal			Information, Communication and Techology
Rick Nelson	Direct Technology	350	\$60 million	Information,

				Communication and Technology
Tina Reynolds	UpTown Studios			Information, Communication and Technology
Angel Reynoso	Angel Reynoso State Farm Insurance	0		Business Services
John Selep (investor fund)	Ag Tech Innovation Fund			Food and Agriculture
Jeff Smith	Taborda Solutions, Inc.	>60	\$45 million	Information, Communication and Technology
Anette Smith-Dohring	Sutter Health			Health Services
Michael Ward	Michael Ward Consulting Ltd.			Business Services

Service Providers, Economic Development & Elected Officials

NAME	ORGANIZATION
Supervisor Roger Abe	Yuba County Board of Supervisors
Mayor Cecilia Aguilar-Curry	Mayor, City of Winters
David Allee	Glenn County Health and Human Services Agency
Melissa Anguiano	City of Sacramento, Economic Development
Monique Brown	Velocity Venture Capital
Rinky Basi	Sutter County One Stop
Dave Butler	NextEd
Joe DiNunzio	Davis Roots
John Fleming	Yuba County, Economic Development
Zak Ford	NextEd
Ken Freeman	Business Basics 101
Darin Gale	City of Yuba City
Amber Harris	SARTA
Mary Hayes	SCORE
Christine Irion	Sacramento State University
Andrew Kim	Congressman Garamendi Office
Mary Kimball	Center for Land-Based Learning
Siew Yee Lee	Minority Business Development agency/

	Dept. of Commerce
Scott Leslie	Capital Region Small Business Development Center
Tanya Little	Dept. Government Services, CA
Gina Lujan	HackerLab
Joe McClure	U.S. Small Business Administration
Christine McMorrow	Center for Land-Based Learning
Claudette Michel	Yuba College
Deborah Muramoto	California Capital, Women's Business Center
Lorilee Niesen	NextEd
Jamey Nye	Los Rios Community College District
Brooks Ohlson	Sacramento Regional Center for International Trade Development
Diane Parro	City of Davis
Gilda Perez	Small Business Administration
Stella Premo	NextEd
Angie Rooney	SCORE
Councilman Jay Schenirer	Sacramento City Councilman
Gary Simon	SARTA
Edward Silva	UC Davis Sustainable AgTech Innovation Center
Ashleigh Stayton	NextEd
Brynda Stranix	Yuba Sutter Economic Development Corp
Randy Wagner	SEDCorp
Clarence Williams	California Capital Financial Development Corporation
Matt Yancy	Davis Chamber of Commerce
Kristin York	Sierra Business Council



## Appendix B: Employer/Business and Service Provider Commitments

<b>Company/Organization</b>	<b>Contact Person</b>	<b>Commitment</b>
Micromidas	John Bissell	Provide wetlab space to 2-3 companies at a time at cost
Closed Loop/ Forager	Lance Loveday	Provide space for convening and connecting
Micromidas	John Bissell	Proctor and administer Science Olympiad competitions for high school and college students
Micromidas	John Bissell	Host a monthly happy hour for other clean tech entrepreneurs
Sierra Energy Group	Mike Hart	Work with UC Davis to mentor students and support entrepreneurial programs
Sierra Energy Group	Mike Hart	Work with SARTA in AgStart
Direct Technology	Rick Nelson	Host internship program, support entrepreneurialism in interns
Direct Technology	Rick Nelson	Guest speak at schools about entrepreneurialism
Closed Loop/ Forager	Lance Loveday	Hold office hours for young entrepreneurs
Hallsten Corp.	Jeff Hallsten	Adopt-an-Entrepreneur for a whole year, provide access and mentoring
PackageOne	Tom Kandris	Advisor, convener, mentor, investor
Sacramento Angels	John Selep	Advisor, champion, creating funding opportunities
Golden Sierra	Jason Buckingham, Michael Indiveri	Job training, applicant screening, wage subsidy programs, employee training programs, apprenticeships, recruitment assistance, business education
Velocity Venture Capital Business Entrepreneurs Campus	Monique Brown	accelerator and incubator space
Velocity Venture Capital	Monique Brown	Seed/early stage funding; network of high growth startups
Hacker Lab	Gina Lujan	Startup support, incubator space, education in electronics, coding, advance manufacturing, art and business, start up and economic development events focused on entrepreneurship

		camps, workshops, hackathons
SEDCORP	Randy Wagner	Market intelligence, business identification
Sutter Health	Anette Smith-Dohring	Mentorship, local supply chain sourcing, education-business connections
SARTA	Amber Harris	Maps of area businesses, outreach to business leaders in clean, Ag, medical, IT and venture, survey tools and business survey capacity
Valley Vision	Trish Kelly, Evan Schmidt	Facilitate cluster, employer and partner engagement, communication, alignment of partners, facilitate process of coalition, research of models, best practices, data collection and analysis
Los Rios CCD	Jamey Nye	Education in business/entrepreneurship
City of Sac Economic Development	Dean Peckam	Identifying companies, facilities, in-kind
Sac State University College of Continuing Education	Christine Irion	Professional development (non-credit) training
US SBA	Joe McClure	Small business resources partner network
UC Davis Institute for Innovation and Entrepreneurship and Sustainable Ag Center	Edward Silva	<ul style="list-style-type: none"> <li>• Entrepreneurship training; tech expertise, research, venue space</li> <li>• Providing entrepreneurial training through our 3 day entrepreneurial training academies, which are relatively low cost. This would require many more meetings to confirm details and aim, but it is certainly an asset we bring.</li> </ul>
Sierra College Center for Applied Competitive Technologies (CACT)	Carol Pepper-Kittredge	Hacker Lab-Sierra College partnership and new maker space and incubator space in Rocklin; CACT Connections to 8 high school programs (Placer/Nevada Counties) for manufacturing /engineering/design programs
Metro Chamber	Scott Leslie	Can connect to business

		community, convening, research and data
CA Capital Financial Development Corp	Clarence Williams, Deborah Muramoto	Loan guarantees, loans, technical assistance, procurement assistance, data research and mapping
SETA	Kathy Kossick, Roy Kim, Bill Walker, Greg Williams	Staffing and other resources, training, \$/wage subsidies, employer services, convenings/space, identify/recruit workforce, space, facilitation, in-kind supports, OJTs
City of Lincoln	Shawn Tillman	Advocacy and space for program activity
County of El Dorado	C.J. Freeland	Microenterprise technical assistance, microloan program (CDBG)
LRCCD, Northern California and Sacramento Regional Center for International Trade Development	Brooks Ohlson	Provide training and consultant support to make entrepreneurs export ready , including helping add an export business plan component to business plans and providing contemporary global market research that helps target marketing

ITEM 6 – INFORMATION  
UPDATE ON PENDING GRANTS

BACKGROUND:

The attached charts will provide status information on grants and collaboratives in the works.

Staff will be available to answer questions.

<b>Grants/ Contracts/ Collaboratives in Planning Phase</b>	
<b>Submitted and Pending Grants</b>	<b>Amount Requested</b>
<b>CalWORKs Subsidized Employment:</b> Sacramento County DHA released an RFP to provide subsidized employment. SETA proposed on behalf of a collaboration including all OJT and Training Center partners.	\$1,287,728
<b>Health Profession Opportunity Grant:</b> Provide TANF recipients and low-income individuals with education and training for healthcare occupations. Will focus on creating career pathways, increased access for special target populations, and wrap around supports.	\$1,800,000
<b>Specialized American Job Center – Offender Services:</b> Provide services to offenders inside correctional facilities, and connect to community-based job centers for employment services upon release.	\$500,000 Not received
<b>Targeted Assistance Discretionary Program:</b> To provide targeted language, acculturation, and employment services to Iraqi and Afghan refugee women.	\$62,439
<b>Grants Received/Continued 2015-2016</b>	<b>Amount Received</b>
<b>NEG – Sector Partnerships:</b> Provide regional sector partnership strategy focused on healthcare that provides demand-driven pathways, priorities and strategies, and targets dislocated workers with enhanced career services and work-based training.	\$863,508
<b>Veterans Employment-Related Assistance Program:</b> Provide services to veterans, strengthen linkages with businesses in high-demand industries and develop sector strategies. Project to focus on the Utility Workers and Welders.	\$444,444
<b>Workforce Accelerator –</b> Regional service strategy for adult education and training, develop learn and earn models in pre-apprenticeship, apprenticeship and OJT focused on Community Healthcare Worker and Workforce Development Professional. Implement an accelerated veterans’ nursing program, and short-term training and OJT programs that target the hospitality and construction sectors.	\$100,000
<b>Regional Industry Cluster of Opportunity III:</b> Alternative Renewable Fuels and Vehicle Technology Program to improve and increase the talent pipeline for K-12 students.	\$205,000
<b>Supervised Workforce Training (AB2060):</b> Provide recidivism reduction training and development program targeting the supervised population.	\$165,000
<b>CSBG Discretionary Grant:</b> Provide single parent families with pathways to employment, increased access to education, training and early childhood education services. Partnership with the CFS Department.	\$75,000

<b>CalWORKS GED Preparation and Vocational ESL:</b> Sacramento County DHA provides these pre-vocational activities that prepare CalWORKS adults for various training activities.	\$660,000
<b>CalWORKS Subsidized Employment:</b> Sacramento County DHA released an RFP to provide subsidized employment. SETA proposed on behalf of a collaboration including all OJT and Training Center partners.	\$743,000
<b>SlingShot:</b> Planning grant to identify and create an implementation plan for increasing intergenerational income mobility, move the needle on big employment, education and jobs issues and increase prosperity and agility of regions, businesses and workers.	\$20,000 initial received Up to \$1,000,000 for implementation
<b>Disability Employment Initiative:</b> The California Employment Development Department (EDD) is submitting a statewide proposal to the Department of Labor (DOL) to develop flexible and innovative strategies to increase the participation of people with disabilities in existing career pathway programs in the public workforce system. These grants represent the fifth round of funding through the Disability Employment Initiative (DEI), a joint program of the DOL Employment and Training Administration and Office of Disability Employment Policy. DEI Round 2 Control Group LWIAs are: Merced, NCCC, SETA, San Bernardino County and SELACO. October 1 start date, up to 6 months planning.	\$600,000
<b>AARP:</b> SETA's BACK TO WORK 50+ project will support 50+ job seekers by providing information sessions, coaching, short term training, financial and computer literacy, supportive services, and job placement and retention services in high demand occupations.	\$100,000
<b>Career Pathways Trust</b> – SETA received funding from Elk Grove Unified School District to provide career specialists for career pathway programs for high school students in the Elk Grove and Sacramento City Unified School Districts. Career Specialists will focus on five sectors, including Energy & Infrastructure, Health, Information and Communications Technology, Agriculture/Food, and Advanced Manufacturing	\$252,328 per years for 3 years
<b>One Stop Share of Cost:</b> Each year the Sacramento County Department of Human Assistance awards SETA a One-Stop Share of Cost contract, reimbursing Sacramento Works for the services provided to welfare recipients accessing the Sacramento Works Center System.	\$4,000,000
<b>Prop 39:</b> Pre-apprenticeship training aligned with MC3 curriculum focused on meeting the regional construction and energy efficiency occupational demand. \$3 million available statewide for capacity building, planning and implementation. SETA will partner with Golden Sierra requesting \$750,000 to train and place 50 job seekers. Focuses on 18-24 year old youth, disconnected adults and veterans.	\$500,000

<b>Targeted Assistance Discretionary Program:</b> SETA received funding as part of a state grant developed by the Refugee Programs Branch for Targeted Assistance to the refugee population.	\$33,493
<b>Older Refugee Discretionary:</b> SETA was part of a state-wide grant application to provide social adjustment and cultural orientation services, specifically citizenship/naturalization services, to older refugees.	\$18,847
<b>California Department of Corrections:</b> Pre-release transition services at Folsom Prison for women	\$246,116
<b>SMUD Summer Youth Employment Program:</b> funded by SMUD to recruit, assess, and case manage summer internship program for 25 high school students.	\$310,000
<b>WIA 25% Additional Assistance Grant:</b> SETA is partnering with South Bay Workforce Investment Board on a WIA 25% Additional Assistance grant from EDD. SETA is proposing to serve 832.	\$5,990,400

**SACRAMENTO—ROSEVILLE—ARDEN-ARCADE METROPOLITAN STATISTICAL AREA  
(MSA)  
(EL DORADO, PLACER, SACRAMENTO, AND YOLO COUNTIES)  
Leisure and hospitality lead month-over and year-over job gains**

The unemployment rate in the Sacramento-Roseville-Arden Arcade MSA was 5.7 percent in May 2015, up from a revised 5.5 percent in April 2015, and below the year-ago estimate of 6.8 percent. This compares with an unadjusted unemployment rate of 6.2 percent for California and 5.3 percent for the nation during the same period. The unemployment rate was 5.6 percent in El Dorado County, 4.9 percent in Placer County, 5.8 percent in Sacramento County, and 6.1 percent in Yolo County.

**Between April 2015 and May 2015**, combined employment located in the counties of El Dorado, Placer, Sacramento and Yolo increased by 10,400 to total 926,200 jobs.

- Leisure and hospitality increased by 3,500 jobs compared to last month. This gain was concentrated in accommodation and food services, which was up 2,700 jobs, and arts, entertainment, and recreation, which gained 800 jobs compared to last month.
- Construction was up by 2,800 jobs. The increase was predominately in specialty trade contractors, up by 2,000.
- Trade, transportation and utilities also saw month-over job increases, led by retail trade and its gain of 1,000 jobs.
- Two industries saw month-over decline. Financial activities lost 200 jobs and education and health services lost 400 jobs compared to last month.

**Between May 2014 and May 2015**, total jobs in the region increased by 22,900, or 2.54 percent.

- Leisure and hospitality added 6,200 jobs year over. Food services and drinking places led the growth with a gain of 4,500.
- Trade, transportation and utilities grew by 4,600 jobs. Retail trade increased by 4,200. Wholesale trade improved by 300 jobs, and transportation, warehousing, and utilities gained 100 jobs.
- Education and health services added 3,300 jobs compared to last year. Healthcare and social assistance accounted for all of the job increase.
- Information and total farm were the only decliners, down 300 and 600 jobs respectively.



	2015				2014														
	January	February	March	April	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March
<b>El Dorado</b>																			
Population *	184,917				183,287														
Labor Force **	89,200	88,900	88,800	88,600	88,600	88,900	89,200	88,400	88,700	89,300	89,000	88,700	88,500	88,900	88,900	88,500	89,700	89,500	89,200
Labor Force Participation Rate	48.24%	48.08%	48.02%	47.91%	48.34%	48.50%	48.67%	48.23%	48.39%	48.72%	48.56%	48.39%	48.28%	48.50%	48.50%	48.28%	49.03%	48.92%	48.75%
<b>Placer</b>																			
Population *	369,454				366,678														
Labor Force **	177,100	176,700	176,800	176,200	175,600	176,200	176,800	175,300	176,100	177,400	177,000	176,600	176,300	177,200	177,100	176,100	177,600	177,300	176,800
Labor Force Participation Rate	47.94%	47.83%	47.85%	47.69%	47.89%	48.05%	48.22%	47.81%	48.03%	48.38%	48.27%	48.16%	48.08%	48.33%	48.30%	48.03%	48.69%	48.61%	48.48%
<b>Sacramento</b>																			
Population *	1,470,912				1,456,230														
Labor Force **	683,900	682,400	681,900	679,700	680,100	681,100	683,900	677,800	680,300	686,100	685,100	682,900	681,100	684,000	683,400	680,400	687,900	686,000	684,200
Labor Force Participation Rate	46.49%	46.39%	46.36%	46.21%	46.70%	46.77%	46.96%	46.54%	46.72%	47.11%	47.05%	46.90%	46.77%	46.97%	46.93%	46.72%	47.59%	47.46%	47.33%
<b>Yolo</b>																			
Population *	209,393				208,246														
Labor Force **	102,200	102,000	102,200	101,900	101,600	101,700	102,200	101,400	101,700	102,600	102,700	101,800	101,200	101,600	101,500	101,600	102,400	102,400	102,200
Labor Force Participation Rate	48.81%	48.71%	48.81%	48.66%	48.79%	48.84%	49.08%	48.69%	48.84%	49.27%	49.32%	48.88%	48.60%	48.79%	48.74%	48.79%	49.68%	49.68%	49.58%

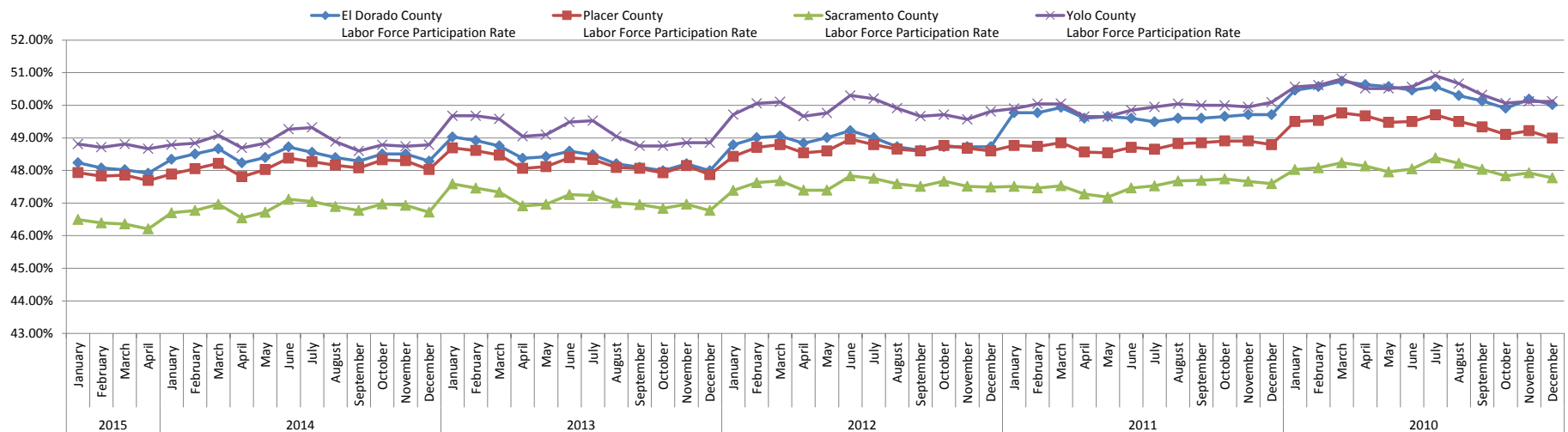
\* Source: California Department of Finance, County Population Estimates 2010-2015

\*\* Source: EDD LMID, Local Area Unemployment Statistics 2010-2015

	2015				2014														
	January	February	March	April	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March
El Dorado County	48.24%	48.08%	48.02%	47.91%	48.34%	48.50%	48.67%	48.23%	48.39%	48.72%	48.56%	48.39%	48.28%	48.50%	48.50%	48.28%	49.03%	48.92%	48.75%
Placer County	47.94%	47.83%	47.85%	47.69%	47.89%	48.05%	48.22%	47.81%	48.03%	48.38%	48.27%	48.16%	48.08%	48.33%	48.30%	48.03%	48.69%	48.61%	48.48%
Sacramento County	46.49%	46.39%	46.36%	46.21%	46.70%	46.77%	46.96%	46.54%	46.72%	47.11%	47.05%	46.90%	46.77%	46.97%	46.93%	46.72%	47.59%	47.46%	47.33%
Yolo County	48.81%	48.71%	48.81%	48.66%	48.79%	48.84%	49.08%	48.69%	48.84%	49.27%	49.32%	48.88%	48.60%	48.79%	48.74%	48.79%	49.68%	49.68%	49.58%

### Sacramento MSA Labor Force Participation Rate 2010-2015

Source: EDD Labor Market Information Division



2013									2012													
April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	
182,958									182,640													
88,500	88,600	88,900	88,700	88,200	88,000	87,800	88,200	87,800	89,100	89,500	89,600	89,200	89,500	89,900	89,500	89,000	88,800	89,000	89,000	89,000	89,000	89,900
48.37%	48.43%	48.59%	48.48%	48.21%	48.10%	47.99%	48.21%	47.99%	48.78%	49.00%	49.06%	48.84%	49.00%	49.22%	49.00%	48.73%	48.62%	48.73%	48.73%	48.73%	48.73%	49.77%
364,724									360,098													
175,300	175,500	176,500	176,300	175,400	175,300	174,800	175,600	174,600	174,400	175,400	175,700	174,800	175,000	176,300	175,700	175,200	175,000	175,600	175,300	175,300	175,000	173,700
48.06%	48.12%	48.39%	48.34%	48.09%	48.06%	47.93%	48.15%	47.87%	48.43%	48.71%	48.79%	48.54%	48.60%	48.96%	48.79%	48.65%	48.60%	48.76%	48.68%	48.60%	48.60%	48.76%
1,445,457									1,435,118													
678,100	678,800	683,100	682,700	679,500	678,700	677,000	678,900	676,100	680,100	683,500	684,300	680,200	680,200	686,500	685,400	683,000	681,800	684,100	681,900	681,500	679,600	
46.91%	46.96%	47.26%	47.23%	47.01%	46.95%	46.84%	46.97%	46.77%	47.39%	47.63%	47.68%	47.40%	47.40%	47.84%	47.76%	47.59%	47.51%	47.67%	47.52%	47.49%	47.51%	
206,136									204,974													
101,100	101,200	102,000	102,100	101,100	100,500	100,500	100,700	100,700	101,900	102,600	102,700	101,800	102,000	103,100	102,900	102,300	101,800	101,900	101,600	102,100	101,100	
49.05%	49.09%	49.48%	49.53%	49.05%	48.75%	48.75%	48.85%	48.85%	49.71%	50.06%	50.10%	49.66%	49.76%	50.30%	50.20%	49.91%	49.66%	49.71%	49.57%	49.81%	49.90%	

2013									2012													
April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	
48.37%	48.43%	48.59%	48.48%	48.21%	48.10%	47.99%	48.21%	47.99%	48.78%	49.00%	49.06%	48.84%	49.00%	49.22%	49.00%	48.73%	48.62%	48.73%	48.73%	48.73%	48.73%	49.77%
48.06%	48.12%	48.39%	48.34%	48.09%	48.06%	47.93%	48.15%	47.87%	48.43%	48.71%	48.79%	48.54%	48.60%	48.96%	48.79%	48.65%	48.60%	48.76%	48.68%	48.60%	48.60%	48.76%
46.91%	46.96%	47.26%	47.23%	47.01%	46.95%	46.84%	46.97%	46.77%	47.39%	47.63%	47.68%	47.40%	47.40%	47.84%	47.76%	47.59%	47.51%	47.67%	47.52%	47.49%	47.51%	
49.05%	49.09%	49.48%	49.53%	49.05%	48.75%	48.75%	48.85%	48.85%	49.71%	50.06%	50.10%	49.66%	49.76%	50.30%	50.20%	49.91%	49.66%	49.71%	49.57%	49.81%	49.90%	

2011												2010											
February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	
180,639												180,925											
89,900	90,200	89,600	89,700	89,600	89,400	89,600	89,600	89,700	89,800	89,800	91,300	91,500	91,800	91,600	91,500	91,300	91,500	91,000	90,700	90,300	90,800	90,500	
49.77%	49.93%	49.60%	49.66%	49.60%	49.49%	49.60%	49.60%	49.66%	49.71%	49.71%	50.46%	50.57%	50.74%	50.63%	50.57%	50.46%	50.57%	50.30%	50.13%	49.91%	50.19%	50.02%	
356,200												350,272											
173,600	174,000	173,000	172,900	173,500	173,300	173,900	174,000	174,200	174,200	173,800	173,400	173,500	174,300	174,000	173,300	173,400	174,100	173,400	172,800	172,000	172,400	171,600	
48.74%	48.85%	48.57%	48.54%	48.71%	48.65%	48.82%	48.85%	48.91%	48.91%	48.79%	49.50%	49.53%	49.76%	49.68%	49.48%	49.50%	49.70%	49.50%	49.33%	49.10%	49.22%	48.99%	
1,430,360												1,420,255											
678,900	679,900	676,200	674,900	678,900	679,800	682,000	682,200	682,900	681,800	680,800	682,100	682,900	685,100	683,700	681,100	682,400	687,200	684,800	682,200	679,400	680,700	678,500	
47.46%	47.53%	47.27%	47.18%	47.46%	47.53%	47.68%	47.69%	47.74%	47.67%	47.60%	48.03%	48.08%	48.24%	48.14%	47.96%	48.05%	48.39%	48.22%	48.03%	47.84%	47.93%	47.77%	
202,616												201,328											
101,400	101,400	100,600	100,600	101,000	101,200	101,400	101,300	101,300	101,200	101,500	101,800	101,900	102,300	101,700	101,700	101,800	102,500	102,000	101,300	100,800	100,900	100,900	
50.05%	50.05%	49.65%	49.65%	49.85%	49.95%	50.05%	50.00%	50.00%	49.95%	50.09%	50.56%	50.61%	50.81%	50.51%	50.51%	50.56%	50.91%	50.66%	50.32%	50.07%	50.12%	50.12%	

2011												2010											
February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	
49.77%	49.93%	49.60%	49.66%	49.60%	49.49%	49.60%	49.60%	49.66%	49.71%	49.71%	50.46%	50.57%	50.74%	50.63%	50.57%	50.46%	50.57%	50.30%	50.13%	49.91%	50.19%	50.02%	
48.74%	48.85%	48.57%	48.54%	48.71%	48.65%	48.82%	48.85%	48.91%	48.91%	48.79%	49.50%	49.53%	49.76%	49.68%	49.48%	49.50%	49.70%	49.50%	49.33%	49.10%	49.22%	48.99%	
47.46%	47.53%	47.27%	47.18%	47.46%	47.53%	47.68%	47.69%	47.74%	47.67%	47.60%	48.03%	48.08%	48.24%	48.14%	47.96%	48.05%	48.39%	48.22%	48.03%	47.84%	47.93%	47.77%	
50.05%	50.05%	49.65%	49.65%	49.85%	49.95%	50.05%	50.00%	50.00%	49.95%	50.09%	50.56%	50.61%	50.81%	50.51%	50.51%	50.56%	50.91%	50.66%	50.32%	50.07%	50.12%	50.12%	