NORTEC
WORKFORCE DEVELOPMENT BOARD AND GOVERNING BOARD
MINUTES
THURSDAY, OCTOBER 24, 2024
10:00 AM – 2:00 PM
CANYON OAKS COUNTRY CLUB
CHICO, CA

I. CALL TO ORDER

W. Hagge, Workforce Development Board Chair, and P. Roen, Governing Board Chair, called the meeting to order at 10:00 a.m.

II. PLEDGE OF ALLEGIANCE

The pledge was recited.

III. ROLL CALL

There was a quorum of the Governing Board (GB) and quorum of the Workforce Development Board (WDB).

Roster

IV. APPROVAL OF AGENDA (ACTION)

A motion by L. Russell, seconded by D. Beeson for WDB approval of the agenda, passed unanimously.

A motion by G. Bridges, seconded by E. Cavasso for GB approval of the agenda, passed unanimously.

V. PUBLIC COMMENT

NoRTEC Executive Director Michael Cross introduced NoRTEC's new employee, Accounting and Administrative Assistant LeAnne Young.

M. Cross thanked outgoing GB and WDB members for their service. Recognition plaques were presented to GB members Elizabeth Cavasso (8 years of service) and Ed Scoffield (17 years of service) and WDB members Mike Dent (8 years of service) and Dwight Beeson (38 years of service).

VI. WORKFORCE DEVELOPMENT BOARD APPOINTMENTS (ACTION)

A. Private Industry – Lassen County

Penny Artz was nominated for the Lassen County Private Industry seat on the Workforce Development Board.

G. Bridges stated that P. Artz took care of his accounting and books while he ran for supervisor, she's been huge in banking in southern California, and we would be very fortunate to have her.

A motion by G. Bridges, seconded by E. Scoffield for Penny Artz's appointment to the NoRTEC Workforce Development Board, passed unanimously.

VII. UPCOMING WORKFORCE DEVELOPMENT BOARD VACANCIES (INFORMATION)

M. Cross explained the At-Large Community Based Organization Seat and Del Norte County Private Industry Seat are the remaining vacancies on the WDB and we are getting closer to having those seats filled.

VIII. CONSENT AGENDA

W. Hagge reviewed the consent agenda items.

A motion by M. Clarno, seconded by H. Oilar for WDB approval of the consent agenda, passed unanimously.

A motion by E. Valenzuela, seconded by E. Cavasso for GB approval of the consent agenda, passed unanimously.

IX. NORTEC STRATEGIC GOALS (INFORMATION)

A. Strategic Goal #4 – Increase Awareness of NoRTEC Activities, Fostering Regional Awareness and Partnerships

M. Cross introduced the newest WDB member Michelle Nystrom. M. Nystrom gave an overview of her professional background stating she has worked in HR, staffing, marketing, and management and she currently serves on the boards for Redding Chamber, Shasta EDC among others. She is also the North State Community Relations Manager for Sierra Pacific Industries which is a third-generation family-owned forest woods products company and the largest private landowner in the United States. SPI has over 6500 crew members in 30 states and soon will pass 7000. SPI has a foundation that has awarded over 10 million in scholarships to children of their crew members and they have donated 40 million back into the communities where SPI operates.

E. Cavasso commented that M. Nystrom is energetic and a "woman of her word." M. Rickert said she appreciates M. Nystrom and all that she has done in Shasta County.

B. Strategic Goal #4 – Increase Awareness of NoRTEC Activities, Fostering Regional Awareness and Partnerships

NoRTEC Assistant Director Andrea Campos gave a brief overview of the collaboration between NoRTEC and the CSUC North State Planning and Development Collective (NPDC). A. Campos introduced Courtney Farrell and Melissa Tanner, Project Managers of NPDC as well as Heather Chavez, NoRTEC's Special Projects and Access Point Coordinator and Carrie Ferchaud, Executive Director of Tehama County Job Training Center.

Courtney Farrell and Melissa Tanner presented an overview of the North State CA Jobs First Initiative and California Public Utilities Commission digital literacy partnership with NoRTEC. C. Farrell explained that over the past few years, their primary focus has been to inform the state what is happening in our region, and advocate for our region. M. Tanner covered information on their efforts to extend broadband services and how broadband fits into their regional strategies and economic development. She explained that broadband impacts education, workforce, health care, social services, and disaster resiliency.

Next, NoRTEC Special Projects Coordinator Heather Chavez explained the digital challenges our rural communities face and provided an overview of the project "Access Points" which provides connections for rural locations among all NoRTEC's 11 counties. This program is connecting rural counties to employment opportunities, education, and daily life activities such as Teladoc appointments as well as addressing the needs of justice involved individuals and English language learners. There have been 136 learners since April.

Tehama County Job Training Center Executive Director Carrie Ferchaud provided information about the Summer 2024 Career Expo for high school students. They took 50 high schoolers on tours of local industries, colleges, and vocational training opportunities over a span of five (5) weeks. C. Ferchaud also shared that JTC operates a production facility to teach folks to make and sell handmade home goods. All the participants have a criminal background. They spend three (3) months with JTC and have an opportunity to promote into a six-month position. C. Ferchaud said that H. Chavez works one-on-one with these workers to help them and they really like working with H. Chavez.

Finally, C. Ferchaud explained the Rapid Response hiring events for displaced workers and English language learners. C. Ferchaud ended her presentation by stating that our region is going through an exciting time with lots of partnerships with NoRTEC at the center. JTC couldn't do any of the projects they do without the core funding that comes through this Board. C. Ferchaud thanked the Board for their partnership with JTC and said "it's making a difference in the lives of the people in Tehama County."

J. Wilson asked if the High Road Transition Collaborative funding comes from the same place as NoRTEC's funding and asked if they were competitive with NoRTEC since we (NoRTEC) do the same thing. C. Farrell said it is not in competition and if they see something to apply for that is better for NoRTEC, they will send it over. The State doesn't want to see an application without collaboration.

J. Wilson asked if this was organized about two (2) years ago and who was on their board. C. Farrell responded that there are intentionally no elected officials on their board as the purpose is to get others engaged such as non-native Tribal and Hispanic populations.

H. Oliar asked if there is a range for broadband plans as he didn't hear any numbers. C. Farrell said some plans are $20-$30 dollars or $18-19 and that $30 per month is considered affordable.

H. Oliar asked how many people are affected or served. M. Kovacs said she didn't have the exact numbers but, when she was working with ACP, there were 2 million in CA that were eligible for that plan and only 48% got it.

G. Bridges said we're asking for dollar amounts and he asked what you get for the $30 dollars. M. Kovacs said it is all different and we don't set the prices. It depends on the internet service providers (ISP) as they set those plans. There are plans for $19.99 for low income, and some for between $20-$30 depending on the ISP and depending on the region. They are trying to get people connected into those plans.

J. Wilson asked if any part of the program goals, for getting people into the workforce, address apprenticeship training. C. Ferchaud said the students they took to the Marysville Community Training Center did not understand apprenticeships and they have a lot of work to do on awareness of the amazing benefits of those programs. H. Chavez added that individuals can use Access Points to assist an agency or individual job seekers if they need digital literacy skills or additional technology skills to be successful in an apprenticeship.

L. Russell asked about the distinction between a state certified apprenticeship program versus someone saying they have an apprenticeship program. C. Ferchaud said the pre-apprenticeship MC3 and the Marysville Training Center are nationally accredited. As far as everything they are connected to, they are using those that are nationally accredited.

C. Strategic Goal #4 – Increase Awareness of NoRTEC Activities, Fostering Regional Awareness and Partnerships

M. Cross started by stating the Board survey identified a need for orientation for Board members but there are challenges because we have new members all the time. M. Cross asked if there are areas where members have further questions or areas where they would like to ask him about Board member roles.

L. Russell asked M. Cross to explain how NoRTEC started and who funds it. M. Cross said it has been around since the mid-80s and it originally consisted of seven (7) counties. There has been a succession of Federal programs and, as the programs and rules changed and as other counties saw the success of NoRTEC, other counties joined over the years. M. Cross explained NoRTEC's goal is to have balanced representation. One supervisor from each county sits on our GB, which is the legal organization that gets the funding and is responsible for expenditures and for hiring the Executive Director. The WDB consists of at least one (1) specific seat from the private sector for each county and a few at large private sector seats because the private sector must be 51% of the Board. There are our other partners that make up 49% of the Board such as education, labor, economic development, health and human services and other community partners. There is also a 7-member joint Executive Committee that helps keep the two boards working together. Members include the two (2) chairs and three (3) at large members.

S. Sanchez asked about how NoRTEC's funding comes about. M. Cross said the first four funding sources (adult, youth, dislocated workers, and rapid response) are allocated to NoRTEC each year by formula from the California Economic Development Department (EDD). There are federal funds that are sent to EDD and then EDD allocates those funds based on a formula and is mostly guaranteed funding that we don't have to compete for or write grants for each year. Currently, about half of our funding (7 – 8 million dollars) is from these allocated funds and the more business closures we have, the more funding we get through layoff aversion. We get $50k for Rapid Response which is the same as LA County (and every county in California).

L Zorn asked about how much the funding has decreased over the years. M. Cross said if you consider inflation, we're about 40% of where we were 20 years ago for allocated funding. M. Cross explained the largest counties get 17 million for allocated funding, but we serve a larger area and receive half of what those larger counties get. We're in a unique situation as we have 13 career centers and we're proud of that.

S. Marie asked why we get so much less and if it is based on population. M. Cross said yes, it is a formula based on population, job loss and unemployment rate, and some smaller populations receive larger allocations.

M. Rickert asked about wildfire funding and if it went back to 2021. M. Cross said yes and that it is not received very quickly. He provided the example of the Park Fire earlier this summer with damage in Butte and Tehama counties. At the last Board meeting we did not have enough in damage determined yet for the federal government to declare a disaster. We may find out after the election or after the first of the year if we get funding for that fire. The 2021 funding, from the Dixie and Carr fires, we are working through and providing services and temporary jobs and training for individuals impacted by the fires.

A question was asked about our population in the entire NoRTEC region by comparison to other counties like Inyo or Imperial. M. Cross said it is about 750,000 and confirmed that while we have a large area, other counties have a larger population.

W. Hagge questioned what M. Cross meant when he said "if" we get funding and whether it is reasonable to expect we will get funding for the Park Fire. M. Cross explained the process and that it is likely we will get funding.

A follow-up question was asked regarding whether funding for fires is based on per capita. M. Cross said no and explained that EDD has a good department, and they have a contact that reaches out to find out how much we need. For the Paradise fire, for example, we received considerably more than others in the state where there were other fires. Our funding is incident based and nothing is triggered until a fire occurs. We then look at how much damage there was, how many people are affected. We also look at how much work we have, and how many people we need to employ. We then ask for what we need, and we are never cut back on that request.

S. Marie asked if there are other boards or other organizations like ours, but they don't specialize in workforce. M. Cross said yes and added there are others such as for aging and councils in government as well as economic development. S. Marie noted economic development gets involved in employment too. M. Cross said yes and added that we work together.

M. Cross then brought up COYA since Larry Russell previously asked about apprenticeship funding. COYA stands for California Opportunity Youth Apprenticeship Grant. We also have the South Bay Apprenticeship project, Jobs First and Digital Literacy. M. Cross continued by explaining that a lot of our funding is disaster response funding and we also have Workforce Accelerator and High Roads Partnerships funding. M. Cross reiterated that about half of our

funding is allocated and the other half is applied for through grants from EDD or CMTC.

L. Zorn asked about additional assistance for Lassen and Tehama counties. M. Cross explained there's a portion of funding that comes to the state every year for business closures and other disasters. If a large plant closure happens, the Board can request funding from the state plus there are NDWG funding.

J. Wilson questioned if the Prison to Employment program is for prison guards or inmates. M. Cross said it is for those that have been formerly incarcerated to help them get back into the workforce.

S. Sanchez asked how the money gets out and if it's allocated or if there is a bid process. M. Cross said our funding is primarily spent by our service providers. Adult, Youth and Dislocated Workers funding is based on a formula, so we know how much is for each county. If there is a fire, then we call our service providers to find out what is needed. We have contracts with our service providers with all the funding in it.

M. Cross encouraged Board members to reach out with any more questions they may have.

X. PY 2024/2025 FUNDING (INFORMATION)

This report was covered in the previous agenda item by Executive Director M. Cross, in which he reviewed program year 2024/2025 funding, noting the $16 million in funding includes the provisional (what NoRTEC may receive) and available funding. He further explained that approximately one half of the funding shown is allocated funds and one half is funding we have applied for.

XI. FINANCE REPORT (ACTION)

Finance Director Erik Honkakangas gave an overview of his background before going over the finance reports.

A. 2024/2025 First Quarter Financial Reports
   1. PY 2024/2025 Contract Summary – E. Honkakangas reviewed the report and stated this is a snapshot of how the funds are allocated and doesn't include any pending funds (e.g., storms). There were no questions.

   2. PY 2024/2025 Service Provider Contract Modifications Report was reviewed by E. Honkakangas. This report represents the new contract allocation for 24/25. No concerns were reported and there were no questions about this report.

M. Nystrom apologized as she had a question concerning the first report, PY2024/2025 Contract Summary report. M. Nystrom asked about NoRTEC's administrative salaries and benefits spending for the first quarter and staffing levels. M. Cross explained our current staffing levels in that we only have five (5) employees and that we will go into this later in the fiscal reports. However, M. Cross noted the 1.8 million is what is available, but we won't spend that much and we are allowed to role that money forward.

3. PY 2024/2025 Program Expenditure Report was reviewed by E. Honkakangas. There were no concerns at this time as providers have met or are meeting the required percentage rates for the first quarter. There were no questions.

4. PY 2024/2025 NoRTEC Administrative Entity Expenditure Report was reviewed by E. Honkakangas and he noted no concerns at this time.

   M. Cross reiterated that we are down three (3) employees right now and this report is based on eight (8) employees instead of five (5).

   R. Leutwyler asked about the 22% spent for administrative entity costs and why we budget so much when we are down three (3) positions. M. Cross clarified that this is based on a fiscal year and we are on target as this is the 1st quarter.

   L Zorn asked a question about whether the salaries budget includes contract staff. M. Cross said that it only includes full time staff.

   M. Nystrom questioned the salary budget being down by only 3% yet staffing levels are down 20% or more. She asked if the other three (3) vacant positions are supposed to fit within the 3% and if we are replacing those positions. Michael said all three (3) positions left during this quarter and we are in the process of replacing those positions, but we expect to end the year under budget.

5. PY 2024/2025 NoRTEC WDB/Governing Board Expenditure Report was reviewed by E. Honkakangas and he noted no concerns at this time but he did point out that our Insurance is 90% expended but that is because it is an annual expense.

   Ric L. asked about an overnight meeting and whether the budget allows for this. Michael said an overnight meeting is probable with the $51,000 left in meetings.

A. NoRTEC Fiscal Monitoring of Service Providers

E. Honkakangas explained that fiscal monitoring of our service providers to complete PY 23/24 has been scheduled for November and December 2024. Results of these visits will be reported to the Board upon completion.

B. State Fiscal and Procurement Monitoring of NoRTEC

E. Honkakangas said EDD completed their annual review and they came on site the week of September 16, 2024. We received the final report from EDD which indicates there were no findings and no areas of concern.

D. Beeson made the motion for the WDB to approve the first quarter finance report; L. Zorn seconded the motion. The motion passed unanimously.

G. Bridges made the motion for the GB to approve first quarter finance report; E. Valenzuela seconded the motion. The motion passed unanimously.

XII. AJCC CERTIFICATION (ACTION)

A. Campos explained WIOA requires our AJCCs be certified every three (3) years by conducting an evaluation in accordance with the State Board's criteria and procedures. The evaluation includes, but is not limited to, making sure our AJCCs are ADD compliant and they provide reasonable accommodations.

The AJCC Certification, along with the Baseline Matrix and Continual Improvement Indicators for each AJCC, must be submitted to the state by the deadline of November 1, 2024. Once the initial AJCC Certification/Evaluation is completed, staff are required to create a Continuous Improvement Plan (CIP) for each AJCC by December 31, 2024.

Links to the documentation were provided on the agenda for each of the 13 AJCC providers listed below:

- Butte County - Alliance for Workforce Development AJCC (Chico)
- Butte County - Alliance for Workforce Development AJCC (Oroville)
- Del Norte County - SMART Workforce Center AJCC (Crescent City)
- Lassen County - Alliance for Workforce Development AJCC (Susanville)
- Modoc County - Alliance for Workforce Development AJCC (Alturas)
- Nevada County - Alliance for Workforce Development AJCC (Grass Valley)
- Plumas County - Alliance for Workforce Development AJCC (Quincy)
- Shasta Smart Workforce Development Center AJCC (Redding)
- Sierra County - Alliance for Workforce Development AJCC (Sierraville)
- Siskiyou County - SMART Workforce Center AJCC (Yreka)
- Siskiyou County - SMART Workforce Center AJCC (Weed)
- Tehama County - Job Training Center of Tehama County AJCC (Red Bluff)

- Trinity County - SMART Workforce Center AJCC (Weaverville)

R. Butler asked if we do our own self audit. A. Campos said yes and explained that staff goes out to each center to certify and then the State will review on site. A follow-up question was asked to clarify if that process is through the EDD. A. Campos said yes.

R. Butler made the motion for the WDB to approve the Certification of the thirteen AJCCs and authorize the Chair of the Board to sign the AJCC Comprehensive Certification applications; M. Clarno seconded the motion. The motion passed unanimously.

E. Valenzuela made the motion for the GB to approve the Certification of the thirteen AJCCs and authorize the Chair of the Board to sign the AJCC Comprehensive Certification applications; E. Cavasso seconded the motion. The motion passed unanimously.

XIII. STATUS OF FUNDING APPLICATIONS (INFORMATION)

A. New Applications

M. Cross said we will wait until we receive a federal disaster declaration for the Park Fire and then we will request funding for clean-up and temporary jobs.

B. Prior Approval

There were no pending funding applications.

XIV. WORKFORCE DEVELOPMENT BOARD AND GOVERNING BOARD ELECTIONS (ACTION)

P. Roen reviewed the positions open for election for the Governing Board. Members were nominated for the positions as follows:

1. Governing Board Chair – Ric Leutwyler
2. Governing Board Vice Chair – Gary Bridges

E.Valenzuela made a motion to nominate Ric Leutwyler as the Governing Board Chair and Gary Bridges as the Governing Board Vice Chair. The motion was seconded by G. Bridges and passed the Governing Board unanimously.

W. Hagge reviewed the positions open for election for the Workforce Development Board as follows:

1. Workforce Development Board Chair – Susan Marie
2. Workforce Development Board Vice Chair – Michael Clarno

R. Butler made a motion to nominate Susan Marie as the WDB Chair. The motion was seconded by L. Zorn and passed the WDB unanimously.

R. Butler made a motion to nominate Michael Clarno as WDB Vice Chair. The motion was seconded by L. Zorn and passed the WDB unanimously.

W. Hagge reviewed the positions open for the Joint Executive Committee Members as follows:

1. Joint Executive Committee Members – Stacey Sanchez, Larry Russell, Amber Yearton

H. Oilar made a motion to nominate Stacey Sanchez, Larry Russell, and Amber Yearton to the Joint Executive Committee. The motion was seconded by M. Clarno and passed the WDB unanimously.

E. OLD BUSINESS (INFORMATION)

There was no old business.

F. NEW BUSINESS (INFORMATION)

a. Upcoming WDB/Governing Board Meetings

W. Hagge reviewed the next meeting as follows:

i. The next board meeting is scheduled for Thursday, February 27, 2025, at the Gaia Hotel in Anderson.

b. Other New Business

H. Oliar asked about the previously discussed retreat and an estimated date. M. Cross explained that due to significant staff turnover, the retreat is tabled for now, but we would likely look at May or October of next year. J. Wilson said October already has so much going on. S. Sanchez said July or August may have better rates.

G. ADJOURNMENT

The meeting adjourned at 12:03 p.m.