Agenda - January 22, 2009

NoRTEC
AGENDA
WIB AND GOVERNING BOARD
THURSDAY, JANUARY 22, 2009
10:00 AM - 2:00 PM
CHECKERS RESTAURANT
OROVILLE, CA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES, OCTOBER 23, 2008 (ACTION)

   The minutes from the October 23, 2008, meeting are attached: Minutes

   Recommended Action:

   WIB approval of the October 23, 2008, minutes, with revisions if needed, as posted.

   Governing Board approval of the October 23, 2008, minutes, with revisions if needed, as posted.

4. APPROVAL OF AGENDA (ACTION)

   Recommended Action:

   WIB approval of the agenda, with revisions if needed, as mailed.

   Governing Board approval of the agenda, with revisions if needed, as mailed.

5. WIB APPOINTMENTS (ACTION)

   There are current three vacancies on the NoRTEC WIB. There are two private industry seats (both from Nevada County), and one "At-Large" organized labor seat.

   As of the posting date of this agenda, no nominations have been received. If nominations are received by the day of the meeting, they will be presented from the floor for Governing Board consideration.

6. PUBLIC COMMENT (INFORMATION)

Members of the public will be invited to make brief comments regarding any aspect of NoRTEC business.

7. PROGRAM COMMITTEE REPORT (ACTION)

M. Piller will present the Program Committee Report.

A. Program Monitoring

There have been no monitoring visits to the WIA Service Providers since the last meeting.

B. State Monitoring

The State conducted a programmatic review of NoRTEC during the week of November 17, 2008, focusing primarily on the youth program. After visiting the administrative office, the monitor reviewed participant files at the Butte PIC (Oroville), AFWD (Quincy, Susanville, Alturas), and STEP (Weed).

An official report has not been received. An update will be given at the meeting.

C. Client Numbers
   1. One Stop Centers - Job Seekers Accessing One-Stop Centers
   2. WIA Enrollments - Job Seekers Enrolled in the WIA Program

D. Contract Performance
   1. WIA Service Provider Contract Performance - Adult Programs
   2. WIA Service Provider Contract Performance - Youth Programs

As agreed, NoRTEC has not focused a lot of attention on the details of participant performance since WIA was implemented, choosing instead to focus on meeting local business needs. Staff do, however, monitor service provider performance against objectives written into the contracts (on a quarterly basis), including cost per enrollment, placement rates, and a variety of program quality measures including average wage at placement. Generally, if a service provider is not meeting contract objectives at the end of a quarter, they are required to submit a corrective action plan.

The performance report also includes information on MCLAUS VI (Multiple Closures, Layoffs and Unemployment Services), and the LVN-RN program (LVNs upgrading their skills and license to that of an RN).

- MCLAUS V began on October 1, 2007, and will end on March 31, 2009. This "special project" funding is to serve dislocated workers (primarily those that were laid off due to a substantial layoff or business closure).
- LVN-RN STEP-UP program began on February 1, 2007, and was scheduled to end December 31, 2008. NoRTEC

requested a no-cost extension of this grant to June 30, 2009. The State refused to consider a June 30 extension, but did agree to consider a March 31, 2009, extension. The paperwork has been submitted, and it is likely the request will be granted.

E. Plant Closure Update

There have been several hundred plant closures and over 12,000 laid off in the eleven county area of NoRTEC since we started tracking in PY 2000. The plant closure web site address is updated as additional closures occur. There have been 65 plant closures/layoffs since our last meeting, and more than 1,990 workers have been laid off. To view the report, click on the link below, and enter ">= " and "10/01/08" in the "Date Closed" field.

Plant Closure Update

F. "Headline" Program Reports

What's Happening? - Each of the Program Directors will take a few minutes to share some aspect of their program (accomplished, current or future) with the WIB and Governing Board members.

Following are direct links to the Community Coordinator reports received for the quarter ending December 31, 2008:

(Note: If the link does not take you directly to the report for the October-December quarter, look for a menu selection on the web page entitled Community Coordinator or Community Coordinator Reports.)

Butte PIC (Butte County)
Rural Human Services (Del Norte)
Alliance for Workforce Development (Lassen)
Alliance for Workforce Development (Modoc)
Butte PIC (Nevada County)
Alliance for Workforce Development (Plumas)
Alliance for Workforce Development (Sierra)
Smart Business Resource Center (Shasta)
STEP (Siskiyou)
Job Training Center of Tehama County
Smart Business Resource Center (Trinity)

A few highlights from this quarter's reports are:

- Butte County - Report not submitted prior to the posting of this agenda.
- Del Norte County - The Workforce Center helped 54 adults obtain jobs this last quarter. The average wage of those who found employment was $12.63 per hour. Some of the positions participants were placed in include: office manager,

mechanic, dietary aid, and general manager.

- Lassen County - The Lassen Career Network (LCN) branch of the Alliance for Workforce Development (AFWD) relocated to a new site in Susanville, and on November 3, 2008, LCN re-opened its computer lab. The lab allows job seekers and employers to utilize the lab Monday-Friday from 8:00 am - 5:00 pm. The lab is equipped with ten computers and updated Microsoft Office software. Internet access is also available, along with a variety of software programs and on-line job search. Staff are happy to have completed the relocation process and have a fully functioning lab available to public.
- Modoc County - AFWD continues to provide fee-based workshops for local employers. In October and November, AFWD facilitated customer service training for 48 employees of two local businesses. The feedback received from the employees and supervisors was positive and the attendees felt they benefitted from the training.
- Nevada County - Report not submitted prior to the posting of this agenda.
- Plumas County - In early October, AFWD facilitated a sexual harrassment prevention training for managers and supervisors of local companies. This type of training is required by state law for all businesses employing 50 or more people. Local businesses appreciate the opportunity to send their employees to a local training session, rather than asking the employee to travel to a large urban area. Feedback from the attendees reflected they believed the workshop was beneficial and their time was well spent.
- Sierra County - The Sierra Work Connection (AFWD) is partnering with the Small Business Development Center (SBDC) at Sierra College to help the small businesses in their county come up with a strategy to enable them to survive in the current economy. This partnership plans to offer a series of three to four classes, depending upon the needs of local businesses, over a three month period. These sessions will be one-on-one, with a qualified business consultant, as each participating business has a unqiue set of circumstances that need to be addressed.
- Shasta County - Shasta SMART's report contains an informative, in-depth write-up on the contestants in the most recent Venture Island Contest. Eric Mogensen of Elements was the victor, winning $25,000 in cash and prizes. To find out more about this business and other contestants, checkout the "Companies to Watch" section in the report.
- Siskiyou County - Last quarter, STEP reported on Roseburg Forest Products' plan to build a Co-Gen plant in Siskiyou County. The plant will create new "green" jobs in the area and will improve the power factor in the area and potentially reduce the frequent local power outages. The plant would also help the local environment by providing a way to dispose of forest thinning by-products from private and public lands in the area. Unfortunately, the company has been dealing with lawsuits filed by opposition that wishes to block construction of the plant, with the most recent filed on December 15, 2008. There will be a settlement conference conducted within the next few weeks, and STEP will continue to keep NoRTEC informed.
- Tehama County - Kathy Schmitz, Executive Director of the Job Training Center of Tehama County, was named *Business Woman of the Year* by the Tehama County Farm Bureau (in 2006, the Job Training Center was recognized by the Farm Bureau as *Business of the Year*). This award was given at the annual Farm City Night dinner in early November. Congratulations Kathy!
- Trinity County - Trinity SMART's report contains interesting information on two Venture Island contestants from Trinity County. The report also tells all about a SMART Board member's "unexpected visitor."

Please take a few minutes to read the reports from all eleven counties. They are informative and fun. Our Community Coordinators are putting a lot of work into keeping you informed. We like to let them know how much we appreciate their efforts.

G. One Stop Business Services

All the NoRTEC counties have developed local business services websites that present their local business services program:

Butte	Modoc	Shasta	Tehama
Del Norte	Nevada	Sierra	Trinity
Lassen	Plumas	Siskiyou	

H. WIRED Update (Information)

Stewart Knox, NoRTEC WIRED Project Director, will provide an update on WIRED activities in the region. He will touch on Venture Island, renewable energy, youth entrepreneurs, a number of training prjects, industry focus groups, the status of our request for a no cost extension, and more. There will be popcorn and refreshments during the intermission.

I. Staff Training (Information)

1. Service Provider Staff Training and Development

B. Austin, NoRTEC Program Services Director, provided the following training during the second quarter of PY 2008/2009:

- Provided Nevada County with staff training on December 3, 2008. The training session focused on key elements of the Adult and Dislocated Worker programs. Additional training will be provided to Nevada County adult and youth program staff on an on-going basis. The next scheduled training session is set for first week of February.
- Conducted an informal file review and a follow-up training sessions for AFWD on October 20-21, 2008, and the Butte PIC on October 30-31, 2008. These sessions provided AFWD and BUTTE PIC management and staff assistance in their continuing effort to develop effective and efficient adult/youth program systems and procedures.

2. NoRTEC Staff Development

B. Austin, NoRTEC's designated Equal Opportunity (EO) Officer, attended the EDD sponsored WIA Methods of Administration Training Conference in Sacramento on October 28-29, 2008. Completion of this training met the Department of Labor's requirement that EO officers receive annual Nondiscrimination and Equal Opportunity training.

J. Youth Council Report (Information)

Activity is continuing at the schools in Tehama County. E-Clubs are being formed and they are preparing their response to the

business competition.

The next meeting of the Council is scheduled for January 27, 2009. An update will be given at the April 23, 2009, WIB and Governing Board meeting.

Recommended Action:

The Program Committee recommends approval of the Second Quarter Program Committee Report

WIB approval of the Second Quarter Program Committee Report.

Governing Board approval of the Second Quarter Program Committee Report.

8. FINANCE COMMITTEE REPORT (ACTION)

B. Hamby, Finance Committee Chair, will present the Finance Committee report.

A. PY 2008/2009 Funding (Information)

NoRTEC currently has $14,982,051 in available funds for the PY 2008/2009 Program Year. An additional $3,893,000 in funding has been requested. If all this funding is received, NoRTEC will have $18,875,051 in available funding for the 2008/2009 Program Year. This would be an increase of $427,989 over PY 2007/2008 Program Year funding.

Project	Funds Available from July 1, 2008	Additional Funds Requested	Total
Adult	$3,206,458	$0	$3,206,458
Youth	$3,446,370	$0	$3,446,370
Dislocated Worker	$2,738,493	$0	$2,738,493
Rapid Response	$713,817	$0	$713,817

MCLAUS VI	$1,618,187	$0	$1,618,187
State WIRED	$250,000	$0	$250,000
Federal WIRED	$2,220,232	$1,860,000	$4,080,232
LVN to RN Step-Up	$448,598	$0	$448,598
DW Stimulus	$317,306	$0	$317,306
MCLAUS VII	$0	$2,000,000	$2,000,000
Disability Navigator	$22,590	$33,000	$55,590
TOTAL	$14,982,051	$3,893,000	$18,875,051

B. Approval of PY 2008/2009 Second Quarter Financial Reports (Action)

1. PY 2008/2009 Contracts Summary (Information)

   This report shows the total amount of funding in contracts with the State, the source of that funding and its allocation within NoRTEC for the 2008/2009 program year. As of December 31, 2008, NoRTEC had a total of $14,982,051 available in State contracts for the 2008/2009 program year. This report includes only amounts available in the current year. Amounts expended in prior years are not included.

2. PY 2008/2009 Service Provider Contract Modifications

   This report shows the changes between September 30, 2008, and December 31, 2008, in the service provider contract amounts available for expenditure in the current program year. This report shows only contract amounts available in the current year. Contract amounts expended in prior years are not included.

   Contract modifications for the quarter were: (1) the allocation of the recently received Dislocated Worker Economic

Stimulus funding to all Service Providers; (2) the allocation of WIRED funding for special projects to Butte ($6,970), AFWD ($40,000), Shasta and Trinity ($80,000), and Tehama ($51,000); (3) the allocation of additional MCLAUS VI funding to AFWD ($75,000), Shasta and Trinity ($45,000), Siskiyou ($45,000), and Tehama ($85,000); and (4) the allocation of additional LVN Step Up funding to Shasta and Trinity ($45,000), and Siskiyou ($95,000). These amounts include any unspent funds carried forward from the prior year. See report for detail.

3. PY 2008/2009 Program Expenditure Report

   This report shows each subcontractor's total available balance for the program year (July 1, 2008, to June 30, 2009), the cumulative expenditures for the quarter ended December 31, 2008, and the remaining balance at December 31, 2008, for each specific funding title and program type. This report shows only contract amounts available in the current year. Contract amounts expended in a prior year are not included.

   All service provider expenditures were within quarterly target rates, except that Del Norte was underspent in the Youth Program and Shasta/Trinity was underspent in the Dislocated Worker Program. NoRTEC has requested corrective action plans for these two underspent programs. Staff will review these plans to ensure that the providers have a reasonable plan to assure that expenditures are at required levels by June 30, 2009. There are no items of concern.

   Background: NoRTEC service providers are generally required to spend 80% of each year's allocation by the end of the program year. For the convenience of monitoring, NoRTEC uses a 20% per quarter expenditure rate as a guide for assessing expenditures throughout the fiscal year (20% first quarter, 40% second quarter, 60% third quarter and 80% final quarter). A corrective action plan (an explanation from the service provider of how they intend to utilize the funds by the end of the funding period) is automatically required from a service provider if quarterly expenditures vary by more than 10% from the quarterly target rate. The required expenditure rates apply to regular funding titles only and do not apply to special projects.

   "Excess" funds may be voluntarily returned by a service provider or recaptured by NoRTEC if it appears that a service provider will not be able to effectively utilize them by the end of the funding period. These funds are then redistributed to other NoRTEC service providers demonstrating a greater need, or returned to the State if they cannot be effectively utilized within the consortium. Early detection and correction of expenditure problems is important because it allows time for the funds to be put to good use by service providers in other consortium counties. In addition, the effective use of funds directly affects NoRTEC's ability to secure additional funding in future years.

4. PY 2008/2009 NoRTEC Administrative Entity Expenditure Report

   This report shows the Administrative Entity (AE) expenditures against the annual line item budget for the quarter ended December 31, 2008. At December 31, 2008, the NoRTEC Administrative Entity had expended 46% of its Operating budget and 35% of its Other Projects budget.

There are no items of concern.

5. PY 2008/2009 NoRTEC WIB and Governing Board Expenditure Report

   This report shows the WIB and Governing Board expenditures against the annual line item budget for the quarter ended December 31, 2008. At December 31, 2008, the WIB/Governing Board expended 52% of its total budget.

   There are no items of concern.

Recommended Action:

The Finance Committee recommends approval of the PY 2008/2009 Second Quarter Finance Reports.

WIB approval of the PY 2008/2009 Second Quarter Finance Reports.

Governing Board approval of the PY 2008/2009 Second Quarter Finance Reports.

C. NoRTEC Fiscal Monitoring (Information)

There have been no fiscal monitorings of the NoRTEC service providers since the last meeting.

D. State Fiscal and Procurement Monitoring of NoRTEC (Information)

The State conducted the current year's Fiscal and Procurement monitoring of NoRTEC during the week of April 7, 2008. The EDD monitor visited the NoRTEC Administrative Office as well as the administrative offices of the Butte PIC. Results will be communicated at the April meeting (as of the posting of this agenda, a final report has not been issued).

Recommended Action:

The Finance Committee recommends approval of the Second Quarter Finance Committee Report.

WIB approval of the Second Quarter Finance Committee Report.

Governing Board approval of the Second Quarter Finance Committee Report.

9. STATUS OF FUNDING APPLICATIONS (UPDATE/ACTION)
   A. Prior Approval
      1. STEM - This application was not funded.

2. Young Parents Demonstration Program- This application was not submitted.
3. Youth Build Grant - This application was not submitted.
4. Community Based Job Training Grant - This application was submitted, but awards have not been announced.
5. California Gang Reduction, Intervention and Prevent (CalGRIP) Initiative- This application was submitted, but awards have not been announced.
6. MCLAUS VII - This application was submitted, but awards have not been announced.

B. New Applications

No new applications for approval.

10. WORKFORCE INVESTMENT IN THE STIMULUS PACKAGE (INFORMATION)

So far, the Nation's WIA Job Training system is slated to receive $4 billion dollars in stimulus funds. A significant portion of it, $2.7 billion, will come as allocated funds through the adult ($500 million), dislocated worker ($1 billion), and a revived summer youth program ($1.2 billion). NoRTEC gets about 3% of the California allocated WIA funds. California gets about 10% of the federal funds. So, $2,700,0000,000 x .1 = $270,000,000 for California, x .03 = $8,100,000 for NoRTEC. (This does not take into account that the Governor may get 15% off the top, plus an additional 25% of the Dislocated Worker funds.)

For a full summary of the stimulus package, click here SUMMARY: AMERICAN RECOVERY AND REINVESTMENT

11. SIZE REDUCTION OF THE NORTEC WORKFORCE INVESTMENT BOARD (DISCUSSION)

There has been some concern expressed by staff and members of the WIB and Governing Board that the WIB is too large, that it has too many members and is becoming unwieldy. This concern surfaced during discussions of adding more counties to the NoRTEC Consortium. Every new county adds at least four new members; three WIB and one Governing Board. Sometimes it requires additional members to maintain the 51% business and 15% labor requirements. Currently, NoRTEC has 51 members; 40 WIB and 11 Governing Board. In addition to the management concern, it is becoming increasingly difficult to find facilities large enough to accommodate a group this size. And to a lesser extent, is some concern over cost. Last year, total meeting costs, including the annual retreat, were about $86,598.

Attached is a table (click here Summary Table) with a summary of required WIB composition, current composition, and a reduced size WIB. The smaller size is achieved by reducing WIB representation from three members per county to two per county. This reduces the core WIB membership from 33 to 22. We currently have seven "at large" seats (to accommodate labor, emeritus, and a community college president). The at large seats would be reduced to three with two members per county. So, the WIB size would be reduced from 40 to 25, and overall membership (counting the Governing Board) from 51 to 36, resulting in 15 fewer members.

Annually, the average cost for meeting attendance per member is $1,698. Reducing the membership by 15 would be $25, 470 less a year for meeting costs. (Staff do not recommend cost savings as a reason to reduce the size of the WIB. Theoretically at least, the WIB is an asset, not a cost.)

In summary, staff recommend to maintain the current size of the WIB until the addition of another county, or there is some other requirement to expand the size of the WIB. If another county joins, staff recommend modifying the by-laws to specify two WIB members from each county, instead of the current three per county.

12. RETIREMENT HEALTH BENEFIT INSURANCE (ACTION)

As a retirement benefit, staff is requesting NoRTEC pay 50% of the cost of health insurance coverage for retiring employees who are at least 55 years old and have provided 15 years of continuous service as a NoRTEC employee. This coverage shall begin on the date of retirement and continue until the employee is eligible for Medicare coverage.

Cost example: C. Brown currently pays $470/month. Upon retirement, it will be split at $235/month for NoRTEC and $235/month for C. Brown.

Recommended Action:

WIB approval of implementing a retirement benefit for retiring NoRTEC employees who are at least 55 years old and have provided at least 15 years of continuous service as a NoRTEC employee. This benefit will cover 1/2 the cost of health insurance for the employee, which shall begin on the date of retirement and continue until the employee is eligible for Medicare coverage.

Governing Board approval of implementing a retirement benefit for retiring NoRTEC employees who are at least 55 years old and have provided at least 15 years of continuous service as a NoRTEC employee. This benefit will cover 1/2 the cost of health insurance for the employee, which shall begin on the date of retirement and continue until the employee is eligible for Medicare coverage.

13. INFORMAL GRIEVANCE, ALLEGATION OF FRAUD (INFORMATION)

NoRTEC (and a number of WIB and Governing Board members) received a letter from an employee of AFWD, the NoRTEC contractor serving Modoc, Lassen, Plumas and Sierra Counties. This individual questioned a number of conclusions in a performance appraisal, and asserted instances of fraud relating to participant records. Personnel issues of another entity are not within NoRTEC's purview. Fraud is.

The possible incidence of fraud was investigated by Terrianne Brown and Betti Austin. They interviewed "Mr. X" and everyone named in his letter (the "Group") who he said could corroborate his assertions. Each individual was interviewed separately. A report of the findings is being prepared and will be distributed to each of the individuals interviewed, the AFWD Board, and to any NoRTEC WIB and Governing Board members that request a copy.

This was technically an informal process. Mr. X will be provided with the instructions to pursue a formal process if he wants. In this case he will be heard by the NoRTEC WIB Executive Committee, and, if still dissatisfied, the State.

In summary, there was no evidence to support the assertions of fraud. For example, Mr. X said participant signatures were being forged on case record documents at the direction of management. Mr. X was asked directly if he had ever forged a participant signature, if he had ever been directly ordered by management to forge a participant signature, or if he knew of anyone else who had forged a participant signature or been directly ordered by management to do so. Mr. X responded "No." Each individual named in "the Group" (with the exception of one employee who was home ill on the day the investigation was conducted) was asked the same questions. The unanimous response was "No." And, so it went with the rest of the examples of wrong-doing presented by Mr. X in his letter (again, notwithstanding personnel matters, which are not under NoRTEC's jurisdiction).

NoRTEC staff consider the matter closed, unless Mr. X wants to pursue a formal grievance.

14. SMALL BUSINESS UPDATE (INFORMATION)

    Ginne Mistal will provide a brief update on items of interest to Small Business.

15. OLD BUSINESS (INFORMATION)

    Old Business items may be brought up for discussion, at the pleasure of the NoRTEC WIB/Governing Board members.

16. NEW BUSINESS (DISCUSSION)
    A. The next WIB and Governing Board meeting will be held on Thursday, April 23, 2009, at the Holiday Inn in Redding.
    B. Additional New Business items may be brought up for discussion, at the pleasure of the NoRTEC WIB/Governing Board members.
17. ADJOURNMENT

NoRTEC is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

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