Our Vision

Partners combining their diverse strengths to support healthy and thriving communities.

Our Mission

To develop strategic partnerships that meet the workforce needs of businesses and job seekers, promoting the economic growth of our region.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. APPROVAL OF AGENDA (ACTION)

Recommended Action:

WDB approval of the agenda, with revisions if needed, as posted.

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

V. PUBLIC COMMENT

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

VI. WORKFORCE DEVELOPMENT BOARD APPOINTMENTS (INFORMATION)

Shane Mortensen, a Workforce Development Board member representing Organized Labor, moved from the area and can no longer serve.

The Five Counties Central Labor Council has nominated Ron Copeland to fill the vacancy. Mr. Copeland is a Labor Relations Representative for UPEC 792 (United Public Employees of California). His application and nomination letter can be viewed by clicking on the links below:

Application
Nomination Letter

Recommended Action:

Governing Board appointment of Ron Copeland to fill the vacant At-large Organized Labor Seat on the NoRTEC Workforce Development Board.
VII. NORTEC STRATEGIC GOALS (INFORMATION)

A. Strategic Goal #1 – Increase Connections with Employers to Understand Current and Emerging Business Needs and Increase Awareness of the Services that are Available to Businesses

Industry Sector Partnerships are partnerships of businesses, from the same industry and in a shared labor market region, who work with education, workforce development, economic development and community organizations to address the workforce and other competitiveness needs of the target industry. NoRTEC is currently supporting partnerships in the regional priority industry sectors of: (1) Information Technology/Entrepreneurship, (2) Digital Media, (3) Agriculture, (4) Advanced Manufacturing, and (5) Health Care.

A short video explaining the goals of industry sector partnerships will be shown. After that, representatives from each of these partnerships will provide an update of activities, accomplishments, and goals for the upcoming year.

1. Digital Media Sector – Shavati Karki-Pearl, Program Director, Nevada County Economic Resource Council (Nevada County)
2. IT/Entrepreneur Sector – Wendy Porter, Managing Director, Chicostart (Butte County)
3. Agriculture Sector – Kathy Sarmiento, Executive Director, Job Training Center (Tehama County)
4. Advanced Manufacturing Sector – JJ Berndt, Program Coordinator, Grow Manufacturing Initiative (Butte and surrounding counties) and Hope Seth, Shasta County Grow Manufacturing Initiative
5. Rural Health Care Sector – Traci Holt, Executive Director, Alliance For Workforce Development (Lassen, Modoc and Plumas Counties)

B. Strategic Goal #1 – Increase Connections with Employers to Understand Current and Emerging Business Needs and Increase Awareness of the Services that are Available to Businesses

During the August 24, 2017, NoRTEC quarterly meeting, Christy Hernandez of the Del Norte Workforce Center (STEP, Inc.) gave an overview of the E3 (Experience, Education, Employment) Summer Youth Program that took place in Crescent City last summer. NoRTEC and Service Provider staff are currently working to expand the program to more NoRTEC Counties for the upcoming summer. Two major components of the program are (1) local employers to hire the youth, and (2) local civic organizations who would be willing to cover other payroll costs. Staff would like to utilize NoRTEC board members to publicize the programs locally and encourage the support of both employers and other civic organizations.

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

During the August 24, 2017, NoRTEC quarterly meeting, Jason Schwenkler, Director of the Geographical Information Center (GIC), gave a report on the Northeast and
Upstate California Connects Consortia (NECCC and UCCC) efforts to expand broadband access in the NoRTEC region.

Since that presentation, NoRTEC staff have participated in several meetings with partner agencies to discuss what NoRTEC can do to support the broadband expansion.

NECCC and UCCC staff are willing to provide a forum for board members who are interested in participating directly with local broadband expansion efforts.

VIII. CONSENT AGENDA (ACTION)

A request was made to staff by the Chairs of the Workforce Development Board and the Governing Board to pull the Program and Finance Reports from the consent agenda at least twice each program year. This request was made to assure that new members to both boards would be given an in-depth review of information presented in these reports as well provide a refresher for veteran members on both boards.

After consultation with staff, it was decided to review one of these reports at each meeting, alternating each quarter. The Finance Reports would be reviewed during the October and April meetings, and Program Reports would be reviewed during the January and August meetings. The consent agenda for each meeting will then contain the minutes from the previous quarterly meeting and whichever report is not being reviewed in-depth during that meeting.

Click on the link for each item below to view the full document:

A. WDB/Governing Board Meeting Minutes, October 26, 2017

Click on the link above for access to the minutes from the October meeting. (Note: As the meeting in January 2018 was cancelled due to inclement weather, the October 2017 minutes still need to be approved.)

B. Program Report

This quarter’s report provides routine information on third quarter performance measures under WIOA and routine quarterly program reports. NoRTEC is currently meeting all standards. SMART is not meeting Median Quarterly Earnings in the Second Quarter After Exit performance in the Youth Program, and STEP is not meeting Median Quarterly Earnings in the Second Quarter After Exit performance in the Dislocated Worker program. Staff are working with Service Provider staff to try to get them into compliance by the end of the program year end.

NoRTEC was monitored by the State during November 2018. The monitor focused her review on the Youth Program and reviewed files in AFWD’s offices in Chico and Oroville. There were no findings.

There are no other areas of concern.

The Program Committee has reviewed the information and recommends approval of the Program Report to the WDB and Governing Board.
**Recommended Action:**

**WDB approval of the consent agenda reports.**

**Governing Board approval of the consent agenda reports.**

IX. **FINANCE REPORT (ACTION)**

Michael Cross, Executive Director, will give the report.

A. **PY 2017/2018 Funding**

NoRTEC currently has $19,402,079 in available funds for the 2017/2018 program year. An additional $1,999,999 of Storm 2017, $500,000 of CA Wildfires 2017, and $250,000 of ETP Grant funding is pending allocation. If these funds are allocated, NoRTEC will have $22,152,078. This would be an increase of $4,078,458 from 2016/2017 Program Year funding.

<table>
<thead>
<tr>
<th>Project</th>
<th>PY 2017/2018 Funds Available</th>
<th>Additional Funds Requested</th>
<th>Total</th>
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<tbody>
<tr>
<td>Adult</td>
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<td>Youth</td>
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<td>Slingshot Additional</td>
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<td>CalJOBS VOS</td>
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<tr>
<td>Regional Plan Implementation</td>
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</table>
B. Approval of the 2017/2018 Second Quarter Financial Reports (Action)

1. **PY 2017/2018 Contracts Summary**
   
   This report shows the total allocation of funding in subgrants and contracts, the source of that funding and its allocation within NoRTEC for the 2017/2018 program year. As of March 31, 2018, NoRTEC had a total of $19,402,079 available in subgrants and contracts for the 2017/2018 program year. This report includes only amounts available in the current year. Amounts expended in prior years are not included.

2. **PY 2017/2018 Service Provider Contract Modifications Report**

   This report shows the changes between July 1, 2017, and March 31, 2018, 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 during this quarter reflect a state-imposed recession, the second allocation of Storm 2017 funding, and Accelerator 6.0 funding. Additionally, a voluntary shift of Milestone/Sears/Rideout funds from Alliance for Workforce Development to SMART Business Resource Center is included.

3. **PY 2017/2018 Program Expenditure Report**

   a. **Program Expenditure Rate Requirements** - This report shows each service provider’s total available balance for the program year (July 1, 2017, to June 30, 2018), the cumulative expenditures for the quarter ended March 31, 2018, and the remaining balance at March 31, 2018, 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 the required parameters. There are no other items of concern.

   **Background:** NoRTEC service providers are generally required to spend 80% of each year’s allocated funding (Adult, Youth and Dislocated Worker) by the end of the program year.

   The normal quarterly expenditure rate requirements are as follows: (1) First Quarter – between 10% and 35%, (2) Second Quarter – between 30% and 60%, (3) Third Quarter – between 50% and 85%. 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 any allocated funding title’s expenditure rate falls outside the quarterly requirements. 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.

b. Training Expenditure Rates - California law requires that a minimum of 32.1% of total expenditures in the Adult and Dislocated Worker programs be spent on out-of-pocket training costs for participants. These training expenditures include such expenses as OJT reimbursements to employers and tuition payments to training vendors on behalf of participants. Per NoRTEC policy, failure to meet the expenditure requirements may result in disallowed costs, recapture of funds or contract termination.

As noted in the August 24, 2017 agenda, Job Training Center of Tehama County (JTC) is currently working under a corrective action plan to make up for a deficit in training expenditures during the prior program year. JTC’s training expenditure rate at March 31, 2018, is in line with the Corrective Action Plan which was submitted to NoRTEC. Staff will continue to monitor progress toward meeting the training expenditure requirement at June 30, 2018.

Except for the issue noted above, as of March 31, 2018, all service providers are meeting the training expenditure requirement at this time. There are no other items of concern.

4. PY 2017/2018 NoRTEC Administrative Entity Expenditure Report

This report shows the Administrative Entity (AE) expenditures against the annual line item budget for the quarter ended March 31, 2018. At March 31, 2018, the NoRTEC Administrative Entity had expended 57% of its Operating Budget and 36% of its Other Projects budget. Overall, the Administrative Entity spent 50% of its budget.

There are no items of concern.

5. PY 2017/2018 NoRTEC WDB/Governing Board Expenditure Report

This report shows the WDB and Governing Board expenditures against the annual line item budget for the quarter ended March 31, 2018. At March 31, 2018, the WDB/Governing Board had expended 34% of its total budget.

There are no items of concern.

C. NoRTEC Fiscal Monitoring (Information)

The spring schedule of fiscal monitoring appears below:
• STEP – May 17-18
• SMART – May 22-23
• JTC – May 24
• AFWD – May 31 - June 1

Staff will report the results of the monitoring visits at the next board meeting.

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

The Employment Development Department’s Compliance Review Division conducted their annual fiscal and procurement the week of March 19, 2018. The results of that review will be reported at the next board meeting.

E. PY 2018/2019 NoRTEC Administrative Entity Budget (Action)

The Finance Committee has reviewed the budget and is recommending the PY 2018/2019 Administrative Entity Operating Budget be approved at $1,389,166 and the Administrative Other Projects Budget be approved at $605,000. There has not been an increase in the total amount budgeted; restructuring of the categories has been applied to more accurately reflect past activity.

All budgets are approved subject to the availability of funding. Sufficient funding to cover the budget is anticipated.

See attached for details:

- Proposed PY 2018/2019 Administrative Entity Budget
- Narrative for Proposed PY 2018/2019 Administrative Entity Budget

Recommended Action:

WDB approval of the PY 2018/2019 NoRTEC Administrative Entity Operating Budget for $1,389,166 and the PY 2018/2019 Administrative Entity Other Projects Budget for $605,000 subject to availability of funding.

Governing Board approval of the PY 2018/2019 NoRTEC Administrative Entity Operating Budget for $1,389,166 and the PY 2018/2019 Administrative Entity Other Projects Budget for $605,000 subject to availability of funding.

F. PY 2018/2019 WDB/Governing Board Budget (Action)

The Finance Committee has reviewed the budget and is recommending the PY 2018/2019 WDB/Governing Board Budget to be approved at $90,000. This is the same amount budgeted in PY 2017/2018.

All budgets are approved subject to the availability of funding. Sufficient funding to cover the budget is anticipated.

See attached for details:

- Proposed PY 2018/2019 WDB/Governing Board Budget
- Narrative for Proposed PY 2018/2019 WDB/Governing Board Budget
**Recommended Action:**

*WDB approval of the PY 2018/2019 WDB/Governing Board Budget at $90,000 subject to availability of funding.*

*Governing Board approval of the PY 2018/2019 WDB/Governing Board Budget at $90,000 subject to availability of funding.*

G. Acceptance of the June 30, 2017 Single Audit Report

NoRTEC has received its June 30, 2017 Single Audit Report for the administrative entity. The audit was “clean,” meaning there were no findings, questioned costs, or recommendations resulting from the audit.

The Finance Committee has reviewed the audit. A copy of the audit report may be accessed here: [NoRTEC Single Audit Report](#)

**Recommended Action:**

*WDB acceptance of the June 30, 2017 Single Audit Report.*


**Recommended Action:**

*WDB approval of the third quarter Financial Report.*

*Governing Board approval of the third quarter Financial Report.*

X. EXECUTIVE COMMITTEE REPORT (INFORMATION)

The Executive Committee will meet the morning of April 26, 2018, to conduct their annual performance review for the Executive Director, Michael Cross.

Ed Scofield, Executive Committee and Governing Board Chair, will give the Executive Committee report.

XI. AJCC CERTIFICATION (ACTION)

The Workforce Innovation and Opportunity Act (WIOA) establishes a framework under which local workforce development boards are responsible for maintaining a network of high quality, effective AJCCs (America’s Job Centers of California, also known as One Stop Centers). Local boards are required to “certify” their AJCCs once every three years. The WIOA regulations outlines three key requirements for AJCC certification: (1) effectiveness of the AJCC, (2) physical and programmatic accessibility for individuals with disabilities and (3) continuous improvement.

The California Workforce Development Board developed criteria and procedures for local boards to use when certifying AJCCs and set a statewide standard of service delivery that ensures all customers consistently receive a high-quality level of service.

There are two levels of AJCC certification—Baseline Certification and Hallmarks of Excellence Certification. The Baseline Certification is intended to ensure that every AJCC is in compliance with key WIOA statutory and regulatory requirements. This process
was completed with all 13 AJCCs baseline certified and the information was submitted to the State before the December 31, 2017 deadline.

The Hallmarks of Excellence Certification is more in-depth and is intended to encourage continuous improvement by identifying areas where improvement is needed. There are eight Hallmarks that must be evaluated and they are to be ranked on a 1-5 scale. In order to be certified as a “Hallmark Center,” the AJCC must receive rankings of at least a “3” on each of the eight Hallmark areas. (There are no sanctions or funding issues associated with AJCCs that do not receive “3” or above rankings on all eight criteria.)

NoRTEC staff have completed the rankings for all 13 of our AJCCs. All 13 received rankings of either a “3” or “4” on seven of the eight criteria. All 13 received a “2” ranking on Hallmark of Excellence #3 – The AJCC actively supports the One-Stop system through effective partnerships. This ranking of “2” does not mean our AJCCs are “bad” or refuse to work with partners; rather, it reflects the need to step up outreach and coordination efforts with a group of partners that are not under the same immediate pressure to strengthen their partnerships with us as required under the WIOA legislation. We have some extra work to do in this area, and NoRTEC will work with our local providers to ensure improvements in this area are made. A summary of the rankings appears below:

<table>
<thead>
<tr>
<th>AJCC (County-City)</th>
<th>HALLMARKS OF EXCELLENCE CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#1</td>
</tr>
<tr>
<td>Butte - Chico</td>
<td>4</td>
</tr>
<tr>
<td>Butte - Oroville</td>
<td>4</td>
</tr>
<tr>
<td>Del Norte - Crescent City</td>
<td>4</td>
</tr>
<tr>
<td>Lassen - Susanville</td>
<td>4</td>
</tr>
<tr>
<td>Modoc - Alturas</td>
<td>4</td>
</tr>
<tr>
<td>Nevada - Grass Valley</td>
<td>4</td>
</tr>
<tr>
<td>Nevada - Truckee</td>
<td>3</td>
</tr>
<tr>
<td>Plumas - Quincy</td>
<td>3</td>
</tr>
<tr>
<td>Shasta - Redding</td>
<td>4</td>
</tr>
<tr>
<td>Sierra - Sierraville</td>
<td>3</td>
</tr>
<tr>
<td>Siskiyou - Weed</td>
<td>4</td>
</tr>
<tr>
<td>Tehama - Red Bluff</td>
<td>4</td>
</tr>
<tr>
<td>Trinity - Weaverville</td>
<td>4</td>
</tr>
</tbody>
</table>

The official matrix for each AJCC can be accessed by clicking on links below. Each matrix is 28 pages in length, and was completed by NoRTEC staff based upon (1) site visits to each of the 13 AJCCs, (2) photographic documentation of the centers, (3) customer input sessions with job seekers, employers and other members of the community, (4) survey results requesting feedback from our MOU partners and (5) self-assessment documents for each of the centers submitted by our Service Providers (AFWD, SMART, STEP, and the Job Training Center).

- Butte (Chico)
- Butte (Oroville)
- Del Norte (Crescent City)
- Lassen (Susanville)
- Modoc (Alturas)
- Nevada (Grass Valley)
- Nevada (Truckee)
- Plumas (Quincy)
- Shasta (Redding)
- Sierra (Sierraville)
- Siskiyou (Weed)
- Tehama (Red Bluff)
- Trinity (Weaverville)

The Program Committee reviewed this information and recommends approval of the certification documents by the Workforce Development Board.

**Recommended Action:**

*WDB approval of the Hallmarks of Excellence AJCC Certification documents for submission to the State.*

**XII. STATUS OF FUNDING APPLICATIONS (INFORMATION)**

**A. Prior Approval**

1. Milestone/Sears/Rideout Additional Assistance Project – This $275,000 project to serve 50 workers laid off due to business closures was funded.

2. Workforce Accelerator Fund (WAF) 6.0 – This $250,000 project to serve young people that have been subject to the criminal justice system in Butte County was funded.

3. Regional Plan Implementation – This $1,000,000 project that proposed to conduct regional coordination activities and develop and implement a summer youth program was funded for $450,000.

4. Fire 2017 National Dislocated Worker Emergency Grant – This project to clean up damage to public infrastructure in Butte and Nevada Counties from the fires in the summer of 2017 was funded in the amount of $1,500,000.

**B. New Applications**

The Employment Training Panel (ETP), in coordination with the Department of Rehabilitation, released an RFP for the development and implementation of a summer youth employment program for students with disabilities. NoRTEC submitted an application in mid-March and was conditionally awarded $250,000 to provide soft skills training and paid work experience to 50 youth this summer. The project award is conditional based upon legislative review of the awards, which will not be completed until the end of April.

**Recommended Action:**

*WDB approval of staff accepting $250,000 of funding from ETP to implement a summer youth employment program for students with disabilities.*
Governing Board approval of staff accepting $250,000 of funding from ETP to implement a summer youth employment program for students with disabilities.

XIII. OLD BUSINESS (INFORMATION)

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

XIV. NEW BUSINESS (INFORMATION)

A. Upcoming WDB/Governing Board Meetings

1. The August 23, 2018, WDB/Governing Board meeting is scheduled from 10:00 am – 2:00 p.m. at Canyon Oaks Country Club in Chico.

2. The October 25, 2018, WDB/Governing Board meeting is scheduled from 10:00 am – 2:00 p.m. at the Gaia Hotel and Spa in Anderson.

B. Other New Business

Additional New Business items may be brought up for discussion at the pleasure of the NoRTEC WDB and Governing Board members.

XV. ADJOURNMENT