**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 (ACTION)**

   On August 25, 2017, Melody Brawley, retired from service with Lassen County. She held an At-Large seat on the NoRTEC Workforce Development Board, representing a TANF seat in the One Stop Partner sector.

   An application from Linda Hoag, HHSA Deputy Branch Director, in the Shasta County Health and Human Services Agency, has been received. A nomination letter has also been received from Lawrence Lees, County Executive Officer, Shasta County.

   Application  
   Nomination Letter

   **Recommended Action:**

   *Governing Board appointment of Linda Hoag to fill the vacant At-Large One Stop Partner/TANF 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**

Traci Holt from the Alliance for Workforce Development (AFWD) will report on the *Leading in a Health Care Environment* trainings that were provided this summer as a partnership between NoRTEC, AFWD, and Butte College. These trainings are a direct outcome of the Lassen and Plumas Health Care Industry Sector Partnership.

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**

Audrey Taylor, President of Chabin Concepts, an economic development firm based in Chico, will facilitate a board discussion of what specific strategies would be most effective for NoRTEC and local AJCC staff to support local businesses and economic development in our individual counties.

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, August 24, 2017**

   Click on the link above for access to the minutes from the August meeting.

B. **Program Report**

   This quarter’s report provides routine information on the first quarter performance measures under WIOA, and routine quarterly program reports. NoRTEC and two of the programs are currently not meeting *Median Earnings in the Second Quarter After Exit* performance in the Youth Program. Staff are carefully monitoring this performance measure, but there is not an immediate cause for 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. FINANCIAL REPORT (ACTION)**

A. **PY 2017/2018 Funding (Information)**

NoRTEC currently has $15,112,195 in available funds for the 2017/2018 program year. An additional $4,333,333 of Storm 2017 funding is pending allocation. We have received notification from the State that we will likely receive the $275,000 requested for the Milestone/Sears/Rideout closures. Once the funds have been allocated, NoRTEC will have $19,720,528. This is an increase of $1,646,908 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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<tr>
<td>Adult</td>
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<td>$3,158,259</td>
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<td>Youth</td>
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<td>Dislocated Worker</td>
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<td>Rapid Response – Layoff Aversion</td>
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<td>NEG Sector Strategy</td>
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<td>Milestone/Sears/Rideout</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$15,112,195</strong></td>
<td><strong>$4,608,333</strong></td>
<td><strong>$19,720,528</strong></td>
</tr>
</tbody>
</table>
B. Approval of the 2017/2018 First 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 September 30, 2017, NoRTEC had a total of $15,112,195 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 2018/2018 Service provider Contract Modifications Report**

   This report shows the changes between July 1, 2017, and September 30, 2017, 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 the new contract allocations for PY 2017/2018.

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 September 30, 2017, and the remaining balance at September 30, 2017, 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 September 30, 2017, is in-line with the Corrective Action Plan submitted to NoRTEC. Staff will continue to monitor progress toward meeting the training expenditure requirement by June 30, 2018.

Except for the issue noted above, as of September 30, 2017, 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 September 30, 2017. At September 30, 2017, the NoRTEC Administrative Entity had expended 19% of its Operating budget and 10% of its Other Projects budget. Overall, the Administrative Entity spent 16% 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 September 30, 2017. At September 30, 2017, the WDB/Governing Board had expended 21% of its total budget.

There are no items of concern.

C. NoRTEC Fiscal Monitoring

Fall monitoring has been scheduled for the months of October and November 2017. The on-site review of STEP has been conducted; there were no findings. Results of the remaining monitoring visits will be reported to the board at upcoming meetings.
D. **State and Fiscal Procurement Monitoring of NoRTEC (Information)**

The Employment Development Department’s Compliance Review Division conducted their annual fiscal and procurement review during the week of June 5, 2017. There were no findings.

Currently, no other monitoring has been scheduled.

**Recommended Action:**

**WDB approval of the first quarter Financial Report.**

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

X. **MEMORANDUM OF UNDERSTANDING – NORTEC/NRCD (ACTION)**

In 2011, NoRTEC staff helped form NRCD (Northern Rural Communities Development, Inc.), a 501c3 nonprofit corporation. NRCD is a separate organization with a separate board of directors. One NoRTEC Workforce Development Board member (Tom Cochran) sits on the NRCD Board of Directors. The primary activities of NRCD are the North Valley Energy Swatch program through PG&E, and the Grow Manufacturing Initiative.

NRCD does not have its own staffing, but utilizes NoRTEC to provide staff and support services. NRCD reimburses NoRTEC for any of those staff and support services based upon the current NoRTEC Certificate of Indirect Costs.

At the request of staff, NoRTEC legal counsel has developed a Memorandum of Understanding which spells out the terms under which NoRTEC provides staff and support services to NRCD. This document is intended to make it clear that neither entity is subsidizing or controlling the other entity, and that NRCD is paying a fair rate for NoRTEC services based upon NoRTEC’s approved Indirect Cost Allocation Plan.

**Proposed MOU between NoRTEC and NRCD**

If approved by the NoRTEC Governing Board, this MOU will be submitted to the NRCD Board of Directors for approval.

**Recommended Action:**

**Governing Board approval of the proposed MOU between NoRTEC and NRCD.**

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, must be approved by the Workforce Development Board, and submitted to the State by December 31, 2017.

The Hallmarks of Excellence Certification is more in-depth, and is intended to encourage continuous improvement by identifying areas where improvement is needed. The Workforce Development Board must also approve these evaluations before they are submitted to the State (due date, June 30, 2018).

Staff completed Baseline Certifications for all thirteen of NoRTEC’s AJCCs. Twelve of the thirteen met the certification requirements and the information was reviewed by the Program Committee. The thirteenth AJCC, located in Susanville, cannot be certified until Phase II of the MOU has been signed on behalf of the TANF/CalWORKS program in Lassen County. This program is a mandatory partner, and NoRTEC, with the assistance of AFWD, has been working on obtaining this signature.

The Program Committee has reviewed the information and they are recommending the Workforce Development Board approve the evaluations for all thirteen of the AJCCs, contingent upon receipt of the signature from the TANF/CalWORKS signature on Phase II of the MOU before December 31, 2017. If the signature is not received, the matrices for twelve of the thirteen will be submitted, along with a corrective action plan for the AJCC in Susanville.

The evaluation matrixes can be accessed here:

1. Chico Community Employment Center
2. Oroville Community Employment Center
3. Del Norte Workforce Center (Crescent City)
4. Business and Career Network (Susanville)
5. Business and Career Network (Alturas)
6. Business and Career Network (Grass Valley)
7. Business and Career Network (Truckee)
8. Business and Career Network (Quincy)
9. Smart Business Resource Center (Redding)
10. Business and Career Network (Sierraville)
11. Siskiyou Training and Employment Program (Weed)
12. Job Training Center of Tehama County (Red Bluff)
13. Smart Business Resource Center (Weaverville)

**Recommended Action:**

WDB approval of the Baseline Certifications conducted by staff on all thirteen of NoRTEC’s AJCCs, contingent upon receipt of a signature from the TANF/CalWORKS program in Lassen County.
XII.  STATUS OF FUNDING APPLICATIONS (INFORMATION)

A.  Prior Approval

Staff submitted an application in early July for $275,000 to serve 50 workers laid-off due to the closure of Milestone, Sears, and Rideout Health Group in Butte and Nevada Counties. Staff were notified on October 13, 2017, that this project would likely be funded.

B.  New Applications

1.  Workforce Accelerator Fund (WAF) 6.0 – Staff are requesting permission to submit an application to the State for $250,000 to serve youth that have been subject to the criminal justice system in Butte County while exploring employment options for this special population in the gig economy.

2.  Regional Plan Implementation - Staff are requesting approval to submit an application to the State for up to $1,000,000 of Regional Plan Implementation funding. In addition to supporting Regional Organizer activities, the plan for this funding is to develop and implement a summer youth program similar to the one conducted by the Del Norte Workforce Center last summer (a presentation of the program was given at the last meeting). NoRTEC would work in partnership with its local WIOA service providers, education, private employers, and other potential funding sources to serve disconnected youth and provide them with work experience and career exploration focused on the priority industry sectors within our region, including information on the types of jobs that are available and the training/educational levels that are necessary to acquire such jobs.

3.  Fire 2017 National Dislocated Worker Emergency Grant – On October 10, 2017, President Trump signed an Emergency Disaster Declaration due to the Wildfires in Northern California. Seven counties were approved for assistance with emergency work and the repair or replacement of disaster-damaged facilities: Butte, Lake, Mendocino, Napa, Nevada, Sonoma, and Yuba Counties. This FEMA declaration allows us to apply, through the State, to the Federal Government for National Dislocated Worker Grant funding—this is temporary job creation funding similar to the Drought funding we received in 2015 and the more recent Storm funding we received in mid-2017.

   Staff are requesting approval to submit an application to the State for $800,000 of National Dislocated Worker Grant funding to assist with clean-up efforts after the recent fires in Butte and Nevada Counties. Staff are requesting $800,000 to serve up to 40 workers.

**Recommended Action:**

*WDB approval to submit a $250,000 WAF application, up to a $1,000,000 Regional Plan Implementation application, and an $800,000 National Dislocated Worker Emergency Grant to the State.*
Governing Board approval to submit a $250,000 WAF application, up to a 
$1,000,000 Regional Plan Implementation application, and an $800,000 National 
Dislocated Worker Emergency Grant to the State.

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 January 25, 2018, WDB/Governing Board meeting is scheduled from 10:00 
am – 2:00 p.m. at Canyon Oaks Country Club in Chico.
   2. The April 26, 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