

Business Development Committee Agenda

Wednesday, September 14, 2022
Stanislaus County Office of Education
Tom Changnon Building, McClatchy Room
1325 H Street, Modesto, CA 95354
1:00 p.m. – 2:30 p.m.

The Business Development Committee complies with all provisions of the Brown Act and the Stanislaus County Workforce Development Board Conflict of Interest and Code of Conduct Policy. See links below.

<https://oag.ca.gov/sites/all/files/agweb/pdfs/publications/brownAct2003.pdf>

<http://stanworkforce.com/board>.

The Agenda at each meeting allows for a public comment period, limited to 5 minutes. Public Comment forms are available at www.stanworkforce.com.

All meetings are conducted in English. Current COVID-19 protocols will be followed.

If you require assistance per the Americans with Disabilities Act, please notify Stanislaus County Workforce Development at (209) 558-2114, 48 hours in advance of the meeting.

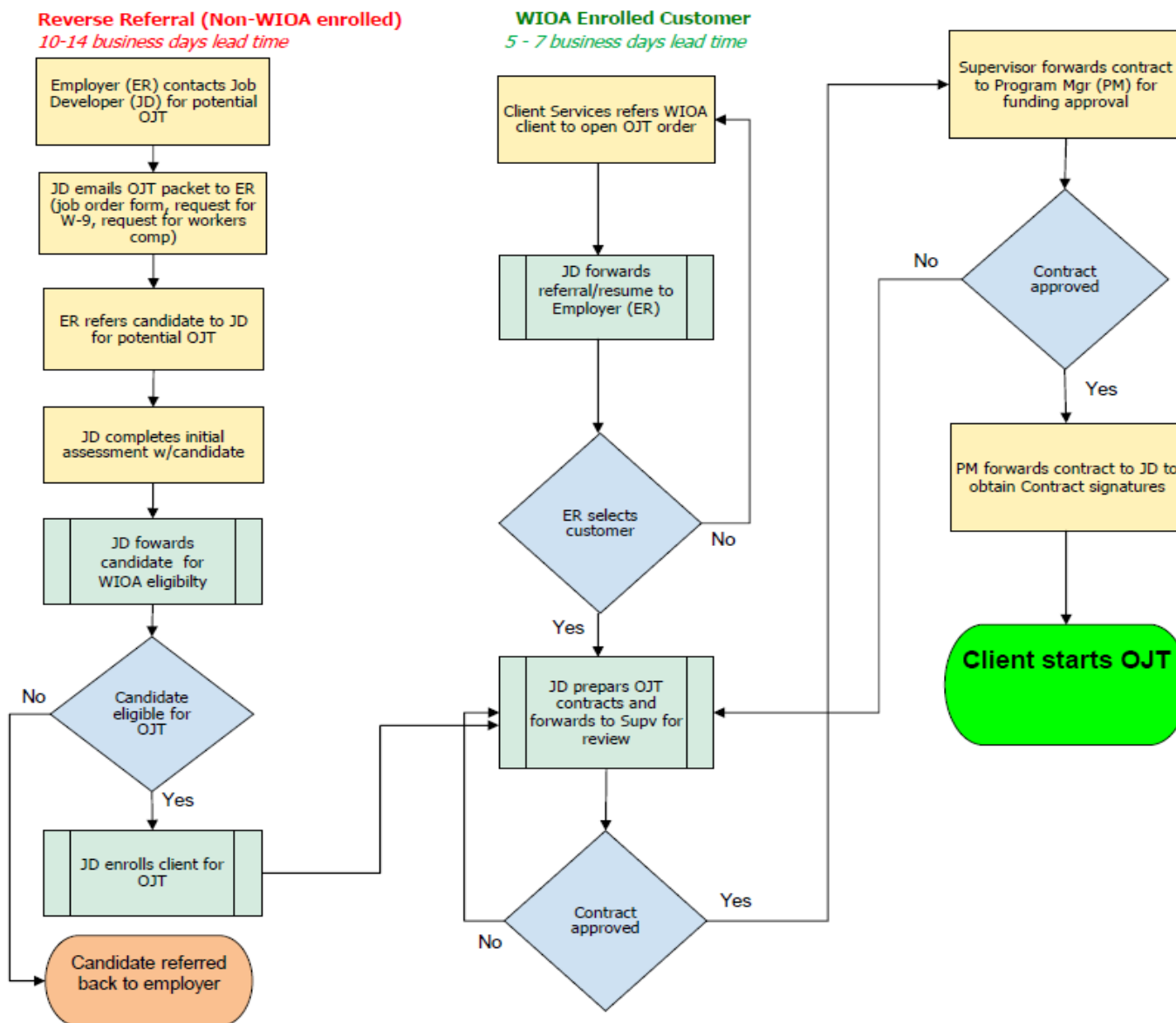
Public notice of all Business Development Committee meetings are posted 72 hours in advance of the meeting on the webpage at <http://stanworkforce.com/board>.

- I. Call to Order and Introductions
- II. Conflict of Interest
- III. Presentation
 - A. Business Services Process Flowchart – Eugene Garcia
- IV. Public Comment Period
- V. Director's Report
 - A. Update
 - B. Statistics
 - C. Business Services Division Performance Update
- VI. Consent Item
 - A. Approve the Minutes of the June 2, 2022 Business Development Committee Meeting
- VII. Discussion and Action Item
 - A. Approve the adoption of the Waiver to expend up to thirty percent (30%) of WIOA Adult and Dislocated Workers funds for the provision of Transitional Jobs (Work Experience), during Fiscal Year 2022-2023.
 - B. Approval of Waiver Application Submitted to the State to Increase the On-the-Job Training Reimbursement Rate to 90 Percent During Fiscal Year 2022-2023 for Employers with 50 or Fewer Employees.
 - C. Approval of the Recommended Spending Plan of the Workforce Innovations and Opportunity Act Training Fund Requirements
 - D. Approval of the Recommendation of the Self-Sufficiency Standard to the Stanislaus County Workforce Development Board.
- VIII. Future Topics and Discussion

Next Meeting:

Date: December 1, 2022
Location: Martin Petersen Event Center
Time: 1:00 p.m. – 2:30 p.m.

OJT for Reverse Referred Candidate vs. WIOA Enrolled Candidate



Business Development Committee Meeting

Thursday, June 2, 2022

Stanislaus County Office of Education
Tom Changnon Building, Orestimba Room
1325 H Street, Modesto, CA 95354
1:00 p.m. – 3:00 p.m.

Members in attendance:

Kris Helton, Chair
Jack Deliddo
Shawn Hemiller
Jason Maggard
Dan Martin

Billy Meyers
Dillion Olvera
Maryn Pitt
Tim Roos
Jennifer Shipman

Absent:

N/A

Staff in attendance:

Doris Foster
Lorena Cercas
Eugene Garcia

Chris Hancock
Kris Ixta
Sara Redd

Additional guest present:

There were 5 guests present

- I. Call to Order and Roll Call
Kris Helton, Business Development Committee (BDC) Chair, called the meeting to order at 1:06 PM, thanked everyone for attending and invited those present to introduce themselves.
- II. Conflict of Interest
Chairman Helton outlined the Conflict of Interest Policy.
- III. Presentation
 - A. Stanislaus County Department of Education Warehousing/Logistics Update
Jason Maggard, Kevin Fox, and Dallas Plaas presented a proposal for a Logistics and Warehouse Program in which they would like to partner with Workforce Development on a paid internship program. Director Foster stated that Workforce Development staff will gather labor market information for the September Business Development Committee meeting in order to have further discussion on this program.
 - B. Business Services Work-Based Learning Presentation

Eugene Garcia, Business Services Manager, presented on Training Services. The Committee requested that a process/flowchart be created in order to better outline the program for businesses as well as more clearly define what will be required of them.

IV. Public Comment Period

Chairman Helton gave information on the Public Comment Period. There were no public comments.

Chairman Helton noted that Jennifer Zellet is no longer employed at Modesto Junior College and therefore will no longer serving as a committee member.

V. Director's Report

A. Update

Director Foster reported that the Business Development Committees recommendation regarding Sector Strategies was presented to, and approved by the Workforce Development Board at the January 3rd Board Meeting. Additionally, Director Foster provided the Committee with an update on Sector Strategy partnerships.

Director Foster provided an update on the HR Hotline.

B. Business Services Division Performance Update

Business Services Manager, Eugene Garcia, provided a statistics update on Sector Strategies, Employee Assistance Program Services, and Workkeys for Opportunity Stanislaus. He also provided statistics for City Ministries as well as Workforce Development on Work-Based Training & Learning Services.

VI. Consent Items

- A. Approve the Minutes of the March 3, 2022 Business Development Committee Meeting. Maryn Pitt noted that she should be noted as present, not absent, on the meeting minutes. Consent items adopted with the above stated revision to the meeting minutes. B. Meyers/Maryn Pitt

VII. Discussion and Action Item

- A. Approval of the Mission Statement and Adoption of the Workforce Development Board's Vision Statement for the Business Development Committee.

The Committee approved to adopt the Workforce Development Board's Vision Statement and approved the following Mission Statement:

"Collaborate with businesses to ensure the creation and alignment of programs to address and resolve sector needs and advise the Stanislaus County Workforce Development Board with information and guidance in planning, providing, and promoting services to businesses in the community."

- B. Consider the Information on the Pre-Employment Assessment Survey Results Regarding Employer Assessments and Approve Recommendation of Services to the Workforce Development Board.

The Committee recommended that a budget of \$5,000 for Marketing be included in the Request for Proposal. The Committee approved the internal Pre-Assessment tools currently used as well as Workkeys Pre-Assessment tools. J. Shipman/T. Roos. Motion passed unanimously.

- C. Approval of the Recommendation of the Self-Sufficiency Standard to the Stanislaus County Workforce Development Board. This item was postponed until the September 8, 2022 Committee meeting.

VIII. Future Topics and Discussion

There were no additional future topics for discussion noted.

IX. Adjournment

Chairman Helton adjourned the meeting at 3:00 PM.

Next Meeting: September 8, 2022

September 14, 2022

Stanislaus County Business Development Committee Agenda Item

TO: Business Development Committee

FROM: Doris Foster, Director

SUBJECT:

Adopt the Waiver to Expend up to Thirty Percent (30%) of Workforce Innovation Opportunity Act (WIOA) Funds for the Provision of Transitional Jobs (Work Experience), During Fiscal Year 2022-2023

ITEM NUMBER: VII-A

ITEM TYPE: Discussion and Action

STAFF RECOMMENDATION:

Approve the adoption of the Waiver to expend up to thirty percent (30%) of WIOA Adult and Dislocated Workers funds for the provision of Transitional Jobs (Work Experience), during Fiscal Year 2022-2023.

POLICY ISSUE:

Under WIOA Section 134(d)(5), a Local Board may use up to 10 percent of their combined WIOA Title I Adult and Dislocated Worker formula funds for the provision of Transitional Jobs. The Employment Development Department (EDD) Directive WSD20-13 (as revised) titled "COVID-19 WIOA Waiver Guidance" allows up to thirty percent (30%) of a Local Board's combined WIOA Title I Adult and Dislocated Worker formula funds to be used for the provision of Transitional Jobs.

DISCUSSION:

Transitional Jobs provide time-limited work experience which is wage-paid and subsidized, and is in the public, private, or non-profit sectors for individuals with barriers to employment who are chronically unemployed or have inconsistent work history, as determined by the Local Board. Transitional jobs are designed to enable an individual to establish a work history, demonstrate work success in an employee-employer relationship, and develop the skills that lead to unsubsidized employment. Transitional Job services must be combined with comprehensive career and supportive services.

Subsidized employment is a proven tool for encouraging employers to hire new employees, especially individuals with barriers to employment, in order to meet new and changing economic demands. Because of the economic impact of the pandemic, utilizing transitional job

placements could be a critical service delivery strategy, especially for participants with significant barriers to employment who are struggling to attach or re-attach to the labor market.

Taking advantage of the Transitional Job waiver allows Local Boards with increased flexibility to provide assistance to individuals with barriers to employment in order to gain both income and work experience. Utilizing this waiver could also assist employers who, because of the pandemic-related changes to work policies and procedures, may need to hire additional employees to adjust and meet new service standards and operating procedures.

According to the State, the projected programmatic outcome of increasing the percentage of adult and dislocated worker funds that are spent on transitional jobs would lead to an estimated 10 percent increase in the number of adults and dislocated workers placed in transitional jobs for each full program year (PY) the waiver is in effect. Local Boards will not be held to this percentage increase individually, but they are highly encouraged to mirror it since it could impact the state's ability to renew this waiver. Stanislaus County Workforce Development used \$33,419.74 in funding on four (4) transitional jobs in 2021-2022.

During Program Year 2021-2022, Stanislaus County Workforce Development received approval for the first round of this Waiver and anticipates utilizing the second round to make a greater impact on our participants in WIOA, Welfare-to-Work, and with local business customers.

ADMINISTRATIVE BUDGET IMPACT:

Thirty percent (30%) of the Adult and Dislocated Worker fund must be allocated to training, which may include transitional jobs. Participation in transitional jobs would allow Workforce Development to more effectively utilize training dollars to assist local employers. By increasing the transition jobs allocation rate from 10% to 30%, the impact will be an additional available funds of \$927,783. However, the Department has budgeted \$200,000 for all paid internships, which includes transitional jobs. The overall training budget for 2022-2023 training budget is \$2,420,887.



Doris Foster, Director

September 14, 2022

Stanislaus County Business Development Committee Agenda Item

TO: Business Development Committee

FROM: Doris Foster, Director

SUBJECT:

Approval of Waiver Application Submitted to the State to Increase the On-the-Job Training Reimbursement Rate to 90 Percent During Fiscal Year 2022-2023 for Employers with 50 or Fewer Employees.

ITEM NUMBER: VII-B

ITEM TYPE: Discussion and Action

STAFF RECOMMENDATION:

Approve the submitted Waiver Application to Increase the On-the-Job Training (OJT) reimbursement rate up to 90 percent.

POLICY ISSUE:

Under WIOA Section 134(c)(3)(H)(i), Local Boards may reimburse an employer up to 75 percent of the wage rate of an On-the-Job Training (OJT) participant for the extraordinary costs of providing the training and additional supervision related to the training, taking into account the following factors: the characteristics of the participants; the size of employer; the quality of employer-provided training and advancement opportunities; and other factors local board may determine to be appropriate. Per Department policy 17-03, OJT reimbursement rate for individuals not meeting the above factors, including not identified as being in a priority population, position, or industry sector is 50 percent.

DISCUSSION:

SCWD applied for and was granted a Waiver for Program Year 2021-2022 as part of the COVID-19 WIOA Waivers (WSD 20-13). This Waiver allowed Local Boards to reimburse up to 90 percent of the wage rate on an OJT participant if the business has 50 or fewer employees. The initial waiver became effective July 1, 2021 and was recently revised to allow for extensions through June 30, 2023 for Program Year 2022-2023 with an approved Waiver application. Due to administrative deadlines, SCWD submitted the Waiver application on August 19th, 2022 as required by the EDD. In 2021-2022 \$287,746 was spent on 35 OJT's with 22 employers with a 90% reimbursement rate.

According to WIOA Section 3(44), OJT is training provided by an employer to a paid participant while they are engaged in productive work in a job that provides knowledge or skills essential to

the full and adequate performance of the job. It is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant.

OJT is an important work-based learning option that is provided under a contract with an employer or registered apprenticeship program sponsor in the public, private non-profit, or private sector. OJT gets people back to work and earning a wage while they simultaneously receive training that directly addresses the gaps in their skills set that otherwise prevented them from obtaining the job. This “learn and earn” approach offers individuals a chance to upgrade their skills while earning a paycheck. For employers, OJT offers the opportunity to offset initial training costs to fill skilled positions.

On July 10, 2017, the Workforce Development Board approved the current employer reimbursement rates based on employer size. The Waiver, with the extension for Program Year 22/23, allows Local Boards to reimburse up to 90 percent of the wage rate of an OJT participant if the business has 50 or fewer employees.

Employer Size	Current Reimbursement Rate	Waiver Reimbursement Rate
1-50	75%	90%
51-250	65%	65%
251+	50%	50%

In order for individuals to qualify for the above reimbursement rates, WIOA identifies adult funding priority of service for three types of populations who are recipients of:

- public assistance;
- low income; or
- basic skills deficient.

The majority of businesses in Stanislaus County are small businesses and most, if not all, have had to drastically change the way they conduct business in order to stay afloat in the face of the COVID-19 pandemic. Businesses have faced constant challenges - from changing business models to shifting to contact-free transactions, from supply and demand issues to purchasing personal protection equipment (PPE), and from tackling outbreaks among staff to trying to hire qualified staff. This waiver would allow Local Boards to provide additional relief to small businesses who may be more risk-averse when it comes to hiring and training new employees during this time of economic instability. Once approved, an Agenda Item will be brought to the Workforce Development Board for final approval.

ADMINISTRATIVE BUDGET IMPACT:

The financial impact would be approximately \$38,880 for the 2022-2023 Fiscal Year. This is based on increasing the reimbursement rate from 75% to 90% for an estimated 25 OJT contracts with businesses having 50 or fewer staff, with an average wage of \$18.00 per hour, for an average training duration of 576 hours. Thirty percent (30%) of the WIOA Budget must be allocated to training, which includes OJTs regardless of the reimbursement rate. The increased

reimbursement rate will allow Workforce Development to more effectively assist local employers who fall within the underserved sector.

A handwritten signature in cursive script, appearing to read "D. Foster", is positioned above a horizontal line.

Doris Foster, Director

September 14, 2022

Business Development Committee Agenda Item

TO: Business Development Committee

FROM: Doris Foster, Director

SUBJECT:

Approval of the Recommended Spending Plan of the Workforce Innovations and Opportunity Act Training Fund Requirements

ITEM NUMBER: VII-C

ITEM TYPE: Discussion and Action

STAFF RECOMMENDATION:

Approve the recommended Spending Plan of the Workforce Innovations and Opportunity Act training funds requirements.

POLICY:

Employment Development Department Workforce Services Directive #18-10, (WSD18-10) WIOA Training Expenditure Requirement, states that Local boards must spend at least 30 percent of the combined total of their adult and dislocated worker WIOA formula fund allocation on training services. The minimum training expenditure requirement does not apply to the youth WIOA formula fund allocation. Local Boards may apply designated leveraged resources used for training and supportive services (up to 10 percent of the combined total of their adult and dislocated worker formula fund allocation) toward meeting the minimum training expenditure requirement.

DISCUSSION:

On January 10, 2022 at the Stanislaus County Workforce Development Board meeting, the Board, as recommended by the Business Development Committee approved the in-demand industry sectors of Healthcare, Warehousing/Logistics, Agriculture, Manufacturing, Construction and Underserved Businesses.

In previous years, spending has been driven by in-demand occupations, business requests and client interest; which has been reactive to the needs presented by businesses and clients. Going forward Workforce Development staff would like to be more intentional on the spending in the identified sectors and actively reach out to those sectors that need program specific training to upskill labor.

When identifying previous training fund expenditures, occupations or employers were

identified by ONet codes for Career Clusters. Career Clusters were summarized into Industry Sectors. The last five years of expenditures were reviewed to identify expenditure trends in the various sectors.

Previous expenditures has been mostly been in “Other In Demand Occupations, Manufacturing and Warehouse/Transportation/Logistics. Other In-Demand Occupations mostly includes administrative occupations such as human resources, management, information technology and marketing. The expenditures in Warehouse/Transportation/Logistics sector has been largely due to the need of truck drivers in the area. The Department worked with businesses and training providers to engage in a few hiring events to meet the needs of this sector. The three areas that have received minimal training funds have been Healthcare, Agriculture and Construction.

Over the next fiscal year, it is recommended that spending be more intentional based on the Business Development Committee and Workforce Development Board approved industry sectors and underserved businesses. Categories identified in the charts below for funding do not include a separate allocation for underserved businesses due to underserved businesses falling into all identified sectors. Based on prior spending trends and current labor market information, the training budget has been developed to reflect areas of greatest need and support within the community and to support the Stanislaus 2030 initiative.

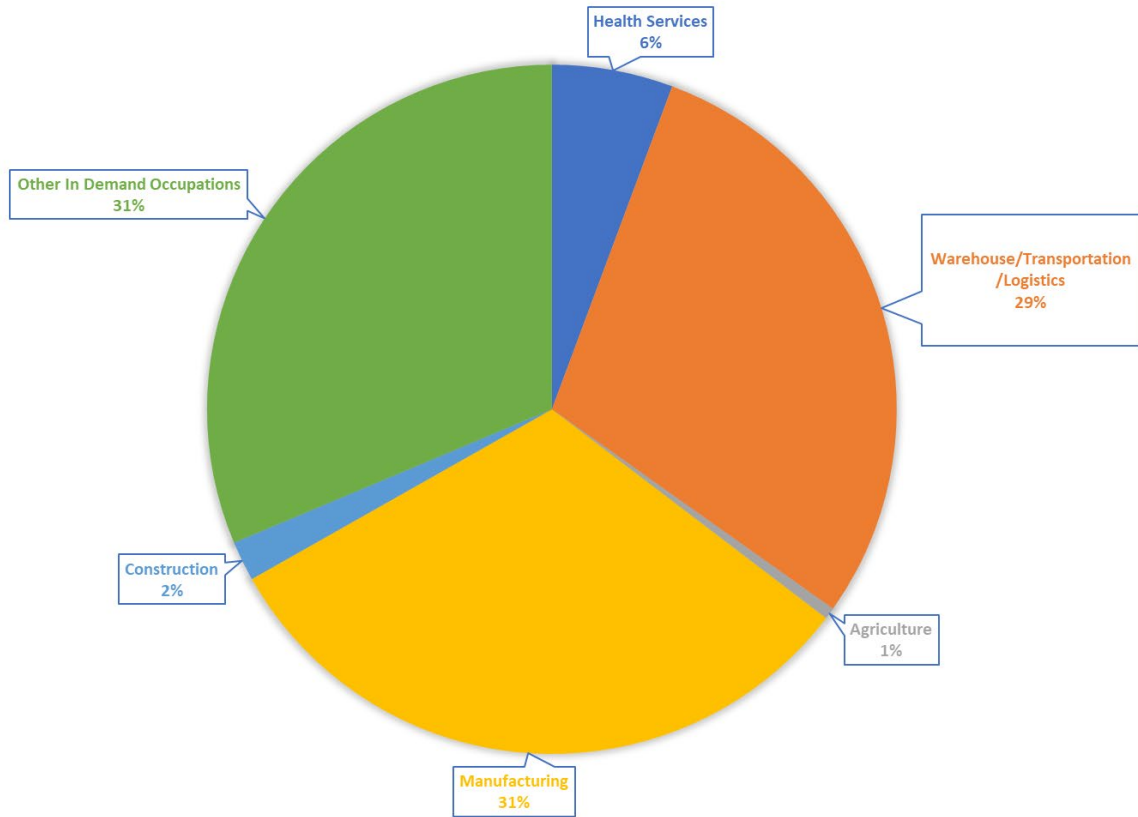
Based on information from Stanislaus 2030 and identified needs of the community, Workforce Development staff are recommending that the majority of funding remain in Manufacturing and Warehouse/Transportation/Logistics at 25% each. Next staff are recommending the engagement in sectors that have not previously received substantial funding such as Healthcare, Agriculture and Construction. With the development of the Sector Strategy Business Engagements, it will be easier to identify specific needs in each of the sectors based on input from businesses.

The budgeted Training Funds for 2022-2023 is \$2,420,887 of which \$806,962 is leveraged resources. Leveraged resources are used for training and supportive services (up to 10 percent of the total allocation) toward meeting the minimum training expenditure requirement. This is achieved through contracted trainings such as On the Job Trainings in which the employer’s part of the wages are considered leveraged resources. The remaining training funds of \$1,613,925 are then spread between the Board identified sectors.

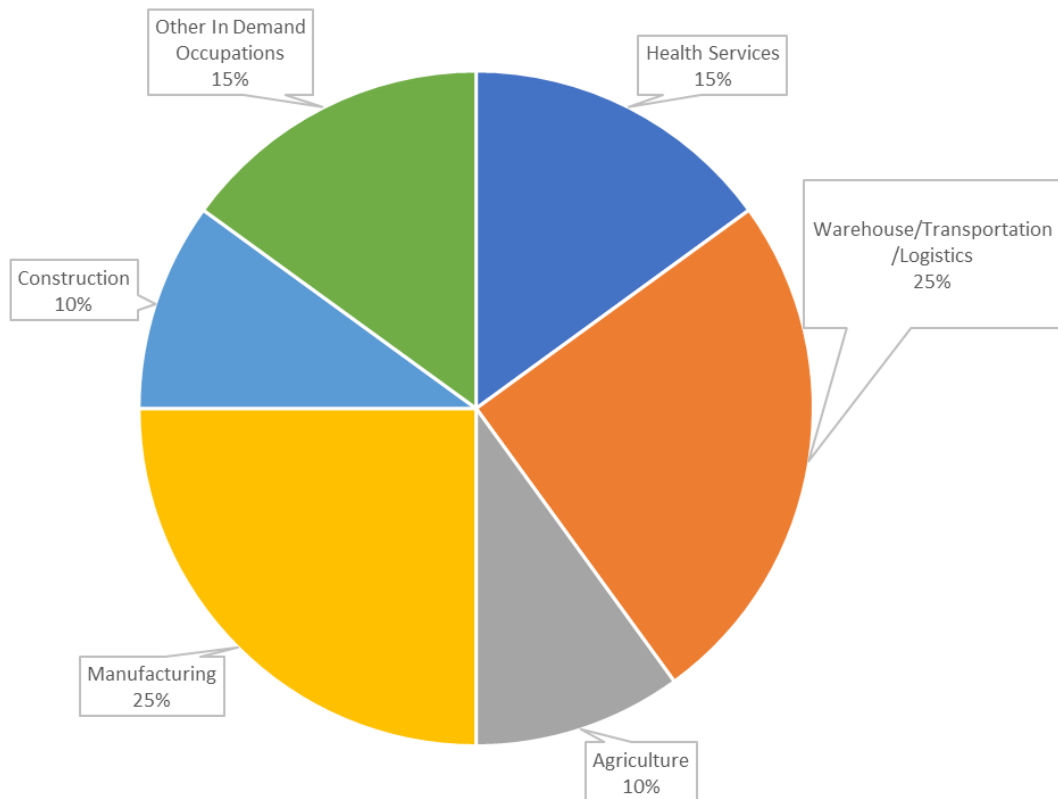
The charts below identify the 2017-2022 Spending by Sector and the Proposed 2022-2023 recommended Spending Plan. By creating this spending plan, it is not the intent to be ridged and deny trainings, but only to use as a guideline to intentionally identify business sectors that have previously not been engaged.

With guidance from the Business Development Committee, the intent is to make a difference in Stanislaus County and train up individuals to meet the needs of businesses in the community. This in turn will contribute to the health of the economy in Stanislaus County.

2017-2022 SPENDING BY SECTOR



Proposed 2022-2023 Spending Plan



Within the sectors, based on industry input from Sector Strategy meetings, the Department will spend funding to meet these needs by engaging in the following trainings:

- Individual Training
- On the Job Training
- Paid Internship/Work Experience
- Incumbent Worker Training
- Customized Training
- Pre-Apprenticeship/Apprenticeships

The results of the Business Development Committee recommendations will be shared out to the Workforce Development Board on Monday, October 3, 2022. Additionally, staff will provide updates to the Business Development Committee at each quarterly meeting to allow for changes and adjustments as needed.

ADMINISTRATIVE BUDGET IMPACT:

There is no additional impact to the budget as training is already included in the Department budget.



Doris Foster, Director

September 14, 2022

Business Development Committee Agenda Item

TO: Business Development Committee

FROM: Doris Foster, Director

SUBJECT:

Approval of the Recommendation of the Self-Sufficiency Standard to the Stanislaus County Workforce Development Board

ITEM NUMBER: VII-D

ITEM TYPE: Discussion and Action

STAFF RECOMMENDATION:

Approve the recommendation of the Self-Sufficiency Standard to the Stanislaus County Workforce Development Board.

POLICY:

The self-sufficiency standard defines how much income families need to meet basic needs without the help of public or private assistance. Under Workforce Innovation and Opportunity Act (WIOA) section 134(d)(1)(A)(x), local areas have the ability to adjust the standards for self-sufficiency.

Under WIOA regulations, 20 CFR, Part 663.230, the criteria used to determine whether an employed worker needs intensive services to obtain or retain employment leading to self-sufficiency is the responsibility of State or Local Boards. The Department of Labor (DOL) provides a minimum threshold for each board known as the Lower Living Standard Income Level (LLSIL). The LLSIL is a poverty measure created by the Bureau of Labor Statistics, and uses a basic family budget approach to determine eligibility of youth participants, eligibility of employed adults for certain services, and self-sufficiency.

DISCUSSION:

On January 7, 2019 the Workforce Development Board approved the self-sufficiency standard at 200% of the Lower Living Standard Income Level (LLSIL). Prior to that approval, Workforce Development staff were using the California Budget and Policy Center for a single adult. The change was made to LLSIL for two reasons:

- LLSIL is more recognized and used by the State and more commonly used by other local workforce development areas in the region.

- The poverty rate continued to decline with the California Budget and Policy Center, which negatively impacted the Department's effort to meet the 30% training requirement mandated by the State in Workforce Services Directive 14-1.

The LLSIL self-sufficiency standard considers cost variations based on geography, particularly the size of the family and the cost of housing, childcare, transportation, food and healthcare.

Currently anyone in the community is able to enroll for services at Workforce Development that has the right to work and has registered for selective service. The self-sufficiency standard determines whether or not the Department can place them into individual training agreements, or On-the-Job Training. The self-sufficiency rate does not impact the ability for the Department to provide job search services, workshops, Incumbent Worker training, customized training or pre-apprenticeship services.

Stanislaus 2030 released the 2022 Market Assessment Executive Summary in which they identified a good job starting at \$28.58. As a foundation, a good job means workers earning enough for the family to achieve self-sufficiency and economic mobility.

Jobs in the report were categorized as "good", "promising", or "other" based on earnings, benefits and durability.

Good Jobs:

- i. Pay at least the target annual wage, meeting expenses and savings needs without California "safety net" benefits (e.g. SNAP, TANF, Medicaid).
- ii. Provide employer-sponsored health insurance, proxy for likelihood of other benefits like paid leave and retirement contributions; and
- iii. Afford stable career options to continue holding a good job in the future, considering factors like automation and career progressions.

Promising Jobs do not meet all good job criteria but provide career pathways leading most workers to a good job within ten years.

Other Jobs do not qualify as good or promising.

Workforce Development staff would like to start the conversation with the Business Development Committee on reviewing the self-sufficiency standard. The final adopted recommendation will be presented to the Workforce Development Board at the October 3, 2022 meeting.

Staff are recommending that more than one standard be approved.

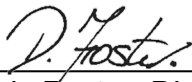
1. Individual Training Agreements – remain at 200% of the LLSIL
2. On the Job Trainings – increase to 250% or 300% of the LLSIL
3. Business Services Goal wage – 350% of the LLSIL

This new tiered approach would allow more employed and underemployed job seekers to improve skills and qualify of jobs with higher earning potential. It would additionally assist Businesses with hiring needs, as well as upskill underemployed workers. Job Seekers will be able to be placed into the pipeline for good and promising jobs that will lead to self-sufficiency.

Attachment 1 to this agenda item provides a comparison of California's current minimum wage for business with 25 employees or less, minimum wage for businesses with 26 employees or more, Stanislaus 2030 target wage, and the LLSIL at various rates for comparison.

ADMINISTRATIVE BUDGET IMPACT:

There is no additional impact to the budget as training is already included in the Department budget.



Doris Foster, Director

