

GOVERNOR'S WORKFORCE INVESTMENT BOARD MEETING
AKA State Workforce Investment Board (SWIB)
Thursday, April 26, 2012 – 10:00 a.m.
Grant Sawyer Building
555 E. Washington Street, Room #4401
Las Vegas, Nevada

Alternate Location: Some members of the Board may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location:

Legislative Building
401 S. Carson Street, Room #2135
Carson City, Nevada

MINUTES OF MEETING

Present: Richard Lee (Vice Chair), Mary-Ann Brown, Jo Cato, Douglas Geinzer, Kathy Grost, Eric James, Assemblywoman Marilyn Kirkpatrick, Senator Ruben Kihuen, Senator Mark Manendo, Assemblyman James Ohrenschall, Maite Salazar, Dr. Maria Sheehan, Frank Woodbeck and Bradley Woodring.

Absent: Pamela Egan, Romaine Gilliland, Leslie Martin, Keith Rheault, Dennis Shipley and Geoffrey Wilson.

Also present: William Anderson, (DETR – Chief Economist Research and Analysis Bureau), Holly Balmer, (NSHE), Mark Costa (CFO, DETR), Derrick Berry, (DETR), Debra Collins, (Workforce Connections), Venus Fajota, (DETR), Ardele Galbreth (Workforce Connections, Interim Executive Director), Karlene Johnson (DETR/ Workforce Investment Support Services (WISS), R. Kelley, (DETR), Earl McDowell, (DETR – Deputy Administrator, Workforce Solutions Unit), Tamara Nash (State Board Liaison, DETR), Mr. Grant Nielson (DETR – Workforce Investment Support Services Unit, Employment Security Division, Dennis Perea (DETR, Deputy Director), Cy Ryan (Las Vegas Sun), John Thurman (Nevadaworks), Dr. Marcia Turner, (NSHE/Healthcare Sector Council), Beth Wicks (Nevadaworks), Linda Yi, (Nevada HC Sector Council), Kay Hawes (???), Cathy Paschane (???), Nielo Montgomery (The Learning Center)

Comment [P1]: Unconfirmed spelling

- I. **WELCOME** – Vice Chair Richard Lee called the meeting to order at approximately 10:00 a.m.
- II. **ROLL CALL AND CONFIRMATION OF QUORUM** – Roll call was heard and a quorum of eleven members was determined.
- III. **VERIFICATION OF POSTING** – Tamara Nash verified the meeting was posted in accordance with Nevada's Open Meeting Law.
- IV. **PUBLIC COMMENTS** – Vice Chair Lee asked if there were any public comments in the Las Vegas area and was told that there were none.
- V. **DISCUSSION/POSSIBLE ACTION: APPROVAL OF THE DECEMBER 15, 2011 MEETING MINUTES** – Approval of the December 15, 2011 minutes were moved, seconded and carried.
- VI. **PRESENTATION: NEVADA'S ECONOMIC OUTLOOK** – William Anderson, DETR Chief Economist – Research and Analysis Bureau noted that his presentation was straightforward and he referred the committee members to their copies of his report. First he referred members to the study which formed the beginning of a collaboration between DETR, the Research and Analysis Bureau and The Governor's Office of Economic Development (GOED). He stated that they were in the process of defining the seven economic development sectors that had been identified in the Governor's State Plan. He stated that this report concerned the Tourism/Gaming/Entertainment Sector. He noted that there were 89 different industries within the sector and these included: casino hotels; eating and drinking establishments; retail trade; and the gaming equipment manufacturing industry. He explained that similar reports were being prepared for all the sectors and this report was being shown at the meeting as an example. He commented that the report established employment trends, provided an idea of earnings and discussed the importance of the sector relevant to the state's economy. He referred to Industry Facts on page 2

and explained the technical term 'location quotient 2.63' which reflected the fact that the sector was 2.63 times more important than the sector would be nationally. He stated that the report identified some of the largest groups of occupations but he emphasized it was a summary document and they had volumes of data in support of each of the data points.

Mr. Anderson moved on to the second part of the presentation: an economic overview. He first looked at the national position with regard to job growth and noted that 8.7 million jobs had been lost between 12/07 and 12/09. Since then 3.5 million or 40% of those lost had since been added once again. Job growth in February was at 120,000. He reviewed labor force dynamics and stated that after the downturn in the economy more people had difficulty maintaining their employment consistently. By contrast since 2010 there was a gradual improvement in the number of people maintaining employment on a month-to-month basis. Some of Nevada's key economic factors were reviewed: taxable sales for January were up 4.8% (19th straight gain); gaming wins were up 5.7% in February (12% YTD); visitor volume in the south had been rising for the past two years; gold prices were holding at all-time highs which bodes well for rural counties; personal income was rising; Nevada exports are up by about 34% YTD; and new business entities were stabilizing.

He stated that in 2011 income was at 4.1% below pre-recessionary levels compared to 5.1% nationally. Personal income in Nevada was up for the past seven consecutive quarters. He discussed the unemployment rate in Nevada which stood at 12% in March down from 12.3% in February which was the 7th consecutive monthly decline. He added that the national rate of 8.2% was lower than the state level by 3.8 points but that was the smallest differential since April 2010. He stated that they still needed to improve as Nevada had the highest unemployment rate in the nation with Rhode Island in second place at 11.1%. He noted that Nevada's lowest unemployment rates were in the rural counties especially those that were dependent on the mining sector. He added that from March 2011 to March 2012 mining job growth was at 15%. By contrast the highest unemployment rates were in Nye and Lyon counties which he referred to as bedroom communities and had large numbers of workers in the construction industry commuting. This group in construction was struggling as a result of trends in that industry.

He indicated that job growth had been positive for the last nine months. He stated that typically in March, relative to February, they would see 3,700 new jobs as the weather improved but he added that in March 2012 they saw 8,700 new jobs, so about 5,000 more than anticipated. Compared to the national figures, Nevada has job levels that are up by .7% compared to a year ago and nationwide that increase is about 1.5%. He explained that they were trailing the national numbers but noted that in 2009/2010 Nevada was affected more significantly than the nation as a whole. He explained the labor market dynamics with respect to job loss/growth and emphasized that there was a lot of churn taking place. He said during the recession gross job gains tumbled and gross job losses spiked. He stated in last year's second quarter the gross jobs gains and losses were about equal at 62,000. He described job growth by sector and noted increases in: leisure and hospitality; trade, transportation and utilities; professional and business services; and losses in construction. He reviewed job growth from 2008 to 2018 with respect to training required and showed the growth by percentages. He considered this important so they could address workforce needs in terms of appropriate education and training. He indicated that claims for unemployment insurance had been on the decline for 28 consecutive months.

Member Eric James referred to last year's report in which Mr. Anderson stated that unemployment claims were being funded by borrowing funds from the federal government. He asked if the position was the same. Mr. Anderson responded that they were at a break-even level and added that the level of borrowing was about \$820 to \$825 million at the end of March 2012 and that number was holding steady. Member James asked what the expectation was as to when they could start paying down that debt. Mr. Anderson responded that in the spring they would receive their heaviest intake of contributions into the fund so he hoped that in the near term they could begin paying but it was a decision that would be made by the Employment Security Council regarding the tax rate. Mr. Anderson noted that they had about 81,000 Nevadans receiving unemployment insurance benefits as of March which was down from 140,000 in mid-2010.

Member Douglas Geinzer referred to the slide on job growth by training level and asked Mr. Anderson to talk about the group at the higher level of education. Mr. Anderson responded that he did not have that background information with him but he could send it over the following day.

Member Mary-Ann Brown referred to the application for insurance benefits and asked how much of the decrease in seeking benefits was related to the exhaustion of benefits even with the extensions given. Mr. Anderson responded it was a combination of two things, moderate job growth and some people exhausting benefits. He added that approximately 1,700 people per month were exhausting benefits and that number was declining, so in summary a combination of good and bad situations.

Assemblywoman Marilyn Kirkpatrick referred to the unemployment rate in Nevada and asked how many more people being hired would make a significant change to the unemployment rate. Mr. Anderson responded that they were looking at overall

job growth so far in 2012 of about 8,500 jobs. He added that would be 14,000 jobs in the private sector. He noted that there were two weak areas, construction and the public sector so they would be looking at about 8,500 new jobs net. He commented that during the recession they had lost 170,000 jobs so the news was better but they still needed to improve. Assemblywoman Kirkpatrick then commented that would it be correct to say that they would need to put 100,000 jobs back into the market to see a significant drop in the unemployment rate. Mr. Anderson responded yes, if she was talking about getting back to pre-recession unemployment rates of 4-5% then that would be a large number of jobs. So he stressed the news was better but room for improvement was the position.

Member Frank Woodbeck commented that he wanted to give some historical perspective and noted that at the height of employment in Nevada 12% of the workforce base was in construction with the national average being about 5%. He noted as a result a large chunk was coming out in an area that was not going to grow or rebound in the near term. He stated that when one looked at that figure that was where the single largest portion of the unemployment rate and its impact was felt.

Assemblyman James Ohrenschall commented about the unemployment rates and asked if the data took into account discouraged workers and were there any statistics as to how many in that category had come back into the workforce actively seeking work. Mr. Anderson responded that once each quarter and in cooperation with the U.S. Bureau of Labor Statistics that information would be generated and it was available through the fourth quarter of 2011. He stated if the definition of unemployment included discouraged workers and part-time workers one would be looking at a measure of unemployment that would be approximately 22% for Nevada and 16% nationwide. He noted it was looked at several months ago and at that time there were about 14,000 classified as discouraged workers.

Dr. Maria Sheehan commented on the job growth training level with respect to Associate degrees and the 10% projection with the highest at 18%. She asked how that was determined, based on a national projection of the number of associates needed or based on how many associates were currently being produced in the state. Mr. Anderson responded that every state including Nevada was provided with federal funding to administer a job projections program and he noted they were required to do it every other year. He stated that the numbers on the handout went to 2018 and they were currently working on the period through to 2020. He explained that they had information on several hundred occupations and they would know the educational requirements for those positions. He gave an example of registered nurses and stated if they would see that field growing and they would know they need an associate's degree then they can categorize them accordingly. He added it was not subjective but each category was specifically coded. Dr. Sheehan asked if they would see a difference between the need for particular associates in the north versus the south. Mr. Anderson responded he would have to review that. Dr. Sheehan said that that type of information was valuable for community colleges in planning programs for the future.

Assemblyman Ohrenschall asked about discouraged workers and if he could produce statistics as to how many of them were trying to re-enter the workforce. Mr. Anderson responded that would be difficult as they were working off a current population survey which was a national household survey of 60,000 households and in Nevada there would only be about 1,000 households participating in the survey. He added that he was more comfortable looking at the position over a period of a year with monthly averages as opposed to individual months. He concluded that with the small sample size for the survey it would be difficult to provide a number.

Vice Chair Lee asked Mr. Anderson if a press release was issued subsequent to the board meeting. Mr. Anderson commented that the numbers were released on April 20, 2012 and the next release would be Friday, May 18, 2012.

VII. DISCUSSION/POSSIBLE ACTION: GOVERNOR'S WORKFORCE INVESTMENT BOARD – "A PLAN FOR EXCELLENCE IN WORKFORCE AND ECONOMIC DEVELOPMENT"

a. Proposed Restructure of Nevada's Workforce Investment System

Mr. Frank Woodbeck, DETR, Director – Mr. Woodbeck advised that this initiative was a reorganization of the Workforce Investment System in the State of Nevada and was a redeployment of assets and human capital. He advised that he would be presenting an overview at the meeting and more details would be provided at the upcoming meeting in June. He noted that the state plan was supposed to be submitted to the Department of Labor (DOL) every five years and it was due in 2012. He added that as part of that state plan they were requesting a waiver to change the structure of the Workforce Investment System in Nevada. He stated that the only major change was that they would go to one statewide board which would be the Governor's Workforce Investment Board (GWIB). He noted that they would still have the two local workforce investment areas as currently constituted and the allocations would remain the same. He commented that the change would be a matter of governance and the administrative portion of the oversight would be done by DETR. He stated they were preparing a staffing plan and the purpose was to make the system more efficient and effective in the delivery of training systems. He commented that they anticipated savings and redeployment of approximately \$5 to \$6 million into training compared to current expenditure. He outlined the next steps, presenting the staffing plan to the elected local officials in the north and the south

seeking their concurrence and support and would then work with the regional DOL office in San Francisco in finalizing the plan and such plan would be presented at the June meeting. He noted a period for public comment would be organized and then the formal presentation to the DOL in Washington by July 1, 2012.

Mr. Woodbeck provided details on his background in the field of economic development. He presented a PowerPoint presentation on some of the main points of the restructuring. He noted that the restructuring would utilize many of the great private and public sector minds and would reach out to other people in the private sector representing industry sectors that the GOED would be pursuing for industry growth and development. He emphasized the high importance of the Governor's Board as far as workforce development and training in the state. He stated that Governor Sandoval's vision was to provide "A vibrant, innovative and sustainable economy" with the mission being "High-quality jobs for Nevadans". He stated the objectives as: establishing a cohesive economic development operating system; advancing targeted business sectors and opportunities in the various regions of the state; expanding global engagement; catalyzing innovation in core and emerging industries; and increasing opportunity through education and workforce development. He noted that the current systems did not meet the challenges of educating and training the workforce and part of the problem was due to the lack of integration and therefore too much money being spent on competing bureaucracies and costs.

He confirmed that under Governor Sandoval Nevada would transition from the current workforce investment system to a structure that would utilize one statewide board of governance while retaining the two local Workforce Investment Areas that were in existence. He confirmed that the funding for the local areas would also remain the same and he noted that these specific funding allocations were federally mandated under the DOL based on population. He added that the responsibility for the allocations and the costs would transfer from the local municipalities to the state under the new system. He stated the goals as: decreased administrative costs resulting in a larger investment in training; a singular vision for the implementation of the state strategic plans for workforce and economic development; increased collaboration among the Governor, Legislature, DETR, the GOED and the Nevada System of Higher Education (NSHE); increased utilization of the state's community colleges working in conjunction with the private and public sectors to deliver market-driven training; a sustainable workforce delivery system that would transcend any changes in administration at the state or local level; and the smooth implementation of innovative pilot training programs.

He noted that under the proposed restructure of the Nevada Workforce Investment System the state would contract directly with service providers using the state's request for proposal process (RFP) and they would not be operating training or service programs from the state level. Service providers would be used locally as they had closer ties with the community. He advised that they would be establishing two new units within DETR, the Policy and Compliance Unit and a Contracting and Provider Monitoring Unit and both would be separately managed. He confirmed that a deputy director and an administrator would be hired. He noted that procurement would focus on providing integrated services within the JobConnect system. He stated that the GWIB and DETR would increase the number of local elected officials on the GWIB from two to four.

He discussed the new staffing costs for personnel training, operating information training technology equipment and travel and noted that they were proposing that they would total approximately \$1,904,000 in staffing costs. He referred to the proposed organization chart for Workforce Investment Support Services and noted that the reason for that was that they currently had an oversight unit called Workforce Investment Support Services and they provided technical support to the local boards and oversight regarding the Workforce Investment Act (WIA) administration. He added they would augment that unit with WIA provider coordinators. He detailed the timeline as follows:

- April – May 2012 Development of a new state plan
- June 14, 2012 SWIB approval of state plan
- June 14-29, 2012 Period of public comment
- December 31, 2012 Proposed transition completion date.

He emphasized that the current interim and executive directors of both of the northern and southern boards were doing a very good job. He explained that what they had to consider and evaluate was: 1. Resources from the federal government were not increasing; and 2. A second layer of administrative costs at the local board level was an expense they felt could be redeployed into training programs.

A member asked if the local work investment boards would remain constituted as they were and Mr. Woodbeck responded that they would be disbanded.

Vice Chair Lee asked was he correct in understanding that it would result in a savings of \$5 million? Mr. Woodbeck confirmed that it did and it was that amount per year. Vice Chair Lee asked for clarification that there would be no action at the April meeting but that it would be brought before the board again at the June meeting. This was confirmed.

A member commented about a slide which stated that services would be provided by service providers. He asked was the current position that the local boards were providing the services or did they contract them out. Mr. Woodbeck responded that they mostly contracted them out to service providers. Mr. Woodbeck went on to explain the current and proposed model with regard to service providers and why they were utilized at the local level.

Member Bradley Woodring brought up the issue of RFP fees. He asked how those would be handled until the totality of the project was completed. He asked if they would be transferred to the Contract Monitoring Unit. Mr. Woodbeck responded that yes, they would. He noted that they would be honored as they are currently constituted and transferred to DETR for execution. Member Woodring referred to future RFPs and noted as they were moving toward integrating with the GOED for specific skill sets for the seven industries identified in the Governor's plan, he asked who would be responsible for writing those RFPs specific to those skill sets. Mr. Woodbeck responded that they would have staff responsible for writing the RFPs to the specifications dictated by the Governor's Board.

Assemblywoman Kirkpatrick referred to the issue of accountability and asked if there were any built-in mechanisms to measure the results as opposed to it being a subjective assessment. She also referred to funding and asked if he could clarify that there was no funding change with regard to where dollars were being spent. Mr. Woodbeck responded to the first question and confirmed that yes, there would be in the RFP certain performance measures that they would need to meet and the Compliance Unit would also be monitoring the performance measures to ensure they were met. To the second question Mr. Woodbeck, with respect to funding allocations, said they were mandated by the DOL and were based on population and need. He noted that would be monitored by the DOL and DETR would be sanctioned if they did not follow those funding allocations.

Member Maite Salazar referred to work programs and said that she understood that the funding strings were for adult and youth separately. She asked how that would be managed at the state level and under the new structure. She added previously that there were youth councils that oversaw how the funding was allocated. Mr. Woodbeck responded that the GWIB would have enhanced procedures and powers and he noted that he believed the Governor's Board would appoint a youth council that would assist with the oversight and direct where the training dollars would go. Member Salazar stated that they currently had a state Workforce Investment Board Youth Council and thought that over the last three years they had accomplished the development of a ready-for-life statewide youth council. She recommended that they consider merging the two as a substantial amount of work had been done through those councils to begin developing systems across the state to identify the needs of youth. Mr. Woodbeck stated he would go on the record supporting that.

Member Jo Cato referred to existing service providers and asked if they would be required to participate in the RFP process. Mr. Woodbeck responded yes, that the RFP process would go forward each year.

Member James asked if there was an update on the timeframe of the completion of the restructuring. If so, he asked, what was the position with regard to current funding programs or dollars that still needed to be allocated within the system so they could move forward given that it was the end of April. Mr. Woodbeck responded that funds for youth and other programs that might not go through local boards were Governor's reserve dollars allocated by the DOL. He explained that those dollars had been cut from 15% of the overall allocation to 5% so they basically did not have a fund to operate with as a result. He explained that youth dollars were the purview of the local boards and he noted that they were acting on some of those programs currently for 2012. He explained that under the revised plan effective December 31, 2012 that would revert to the Governor's Board. He added that it might be more useful to organize a more formal youth sector council under the Governor's Board that would take in recommendations with regard to expenditure of youth funding.

b. Sector Councils

Mr. Woodbeck confirmed that they had formed sector councils as proscribed by SP 239 from the 2009 Legislature which was now NRS 232. He explained that this section outlined how sector councils would provide industry intelligence and information for training initiatives for specific industry sectors that the State of Nevada would focus on for economic development. He noted that there were two councils already in existence, Healthcare and Green and Renewable Energy. He stated that they had now added sector councils for: Mining, Materials and Manufacturing; Tourism, Gaming and Entertainment; Logistics and Operations; Aerospace and Defense; and Business IT Ecosystems. He noted that each council would have 20-25 members and 51% of the sector councils would be from the private sector, the industries representing companies for that council. The sector councils reported to the Governor's Board. He added that at the quarterly board meetings the Chair of that council would report to the Governor's Board on their work. The remaining 49% would be

comprised of public sector members that had an interest in that particular industry sector. Each sector council would have: the industry specialist from GOED as one of their core members; an economist from the Research and Analysis Division of DETR; a representative from the community colleges; a representative from the Nevada system of higher education; a representative of K through 12; three elected local officials (one from the north and south Workforce Investment Areas and one from the rural area); one member of the Nevada Senate or Assembly; a representative from labor in that industry; and a representative from the regional development authority from the area most dominant in that industry. He noted that they hoped the process would be efficient and provide balance and valuable information regarding the needs for training. He confirmed that the sector councils would be in place and any changes in the service delivery system would not affect them.

Dr. Sheehan noted that this process involved a large number of people and asked about the logistics and how that would be provided. She asked what the structure would be to support that broad representation. Mr. Woodbeck responded that the administrative staff for the councils would be from DETR and said that their Workforce Solutions Unit would provide a liaison to each council.

A member noted she was a member of the healthcare sector workforce council and she said that they had talked about having a member from the GWIB be assigned to each council so they would have that liaison-integrated role. She asked if that was a plan. Mr. Woodbeck responded that under the legislation it did not require a member of the GWIB on each sector council. He added that it required that the sector council report to the GWIB. He added that the GWIB would have an industry representative from each sector and the Chair of the sector council would report to the GWIB. He said that the intent was that the sector councils would meet monthly initially and the month before the Governor's board meetings and then prepare their report for the GWIB the following month. He complimented the efficient work of the Healthcare and Medical Services council in terms of their work and noted it was a model they hoped to duplicate across each industry sector.

VIII. DISCUSSION/POSSIBLE ACTION: UPDATE ON UNDUSTRY SECTOR COUNCILS AND APPROVAL OF SECTOR COUNCIL BYLAWS - Earl McDowell, Deputy Administrator, Workforce Solutions Unit, DETR – Mr. McDowell referred the members to their copy of the Governor's Workforce Investment Board Industry Sector Council Bylaws. He touched on several of the significant areas of the Bylaws and mentioned specifically: the Mission statement and how that mission would be fulfilled; the names of the seven sector councils and highlighted two specifically, Clean Energy and Health Care and Medical Services as proceeding particularly well; outlined the duties of the sector councils; and membership and how it was broken down as previously discussed by Member Woodbeck. He noted that the Attorney General had reviewed the Bylaws and approved them and each sector council followed the same Bylaws.

Vice Chair Lee asked if they intended to approve them and Mr. McDowell responded yes. **Vice Chair Lee moved to approve the Bylaws. It was seconded by Member James. The motion was carried and approved.**

Dr. Marcia Turner, Chair of the Health Care and Medical Services Council provided an overview and update. Dr. Turner noted that Mr. McDowell brought the Bylaws to their committee for feedback during the process and they identified that the Bylaws had not included the mechanism whereby subcommittees could be formed so it was an excellent example of being able to work together. She noted that their council supported the Bylaws and thought the document was excellent for them to work from and in addition considered that it was beneficial that all the councils would use the same document thereby providing consistent direction to the council. Dr. Turner commented that they found the mission statement and list of duties particularly helpful in establishing for them what was required of them. She stated that they worked under the GWIB and DETR and were on the workforce side of economic development. In addition Dr. Turner acknowledged that the GWIB would be defining the best use for any funds towards workforce development and so their council wanted to help to provide input to ensure those funds would be going to the highest and best use. In accordance with that objective she noted that their group had created a group of subcommittees which were described and detailed as follows: Education and Training; Grants and Resources; Economic Development; Data Evaluation and Research; Legislation, Regulation and Policy; and Special Projects. She explained that these committees complemented the duties as set out in the Bylaws. She noted that in relation to Data Evaluation and Research they were working with DETR staff, GOED staff and (NSHE) to do a workforce shortage assessment.

Member Woodring commented that their work was going forward well, as it had been last year. He noted that he had looked at the members of the council and stated that he did not see 51% coming from the private sector. He asked how they could help her attract individuals to assist her. Dr. Turner responded that the list they had that was provided was an earlier list as they actually had 31 members now. She noted that she hoped DETR could distribute a revised list. She said that they did not have members from all groups but it was a work in progress and they would continue to do their checks and balances. Member Woodring asked how she could be contacted as he had two gentlemen in the Reno market both in biotechnology

who had discussed with him how they should go out and promote and grow the industry and skill sets to outside firms to bring them to Nevada. Dr. Turner responded that probably through DETR was the best way to make contact.

Vice Chair Lee noted that some of the councils would have to have some restructuring to conform to the Bylaws and added that he hoped they would be at 51% shortly. He complimented the Health Care and Medical Services Council on their excellent work.

- IX. PRESENTATION/DISCUSSION – OVERVIEW OF NEVADA’S WORKFORCE INVESTMENT ACT UNIFIED STATE PLAN** – Dennis Perea, Deputy Director, DETR – Mr. Perea noted that for the Unified State Plan they had asked for an extension so there was nothing to review for the meeting. He explained that there was a process they would have to follow as per the WIA and part of that was to open it up for public comment and have public hearings so the community had the opportunity to comment on the State Plan. He indicated that that would take place prior to bringing the State Plan before the board. He went on to say that once it was brought before the board and approved it would then be forwarded to the DOL. The DOL indicated the process could take time. He noted that they would be working with them providing drafts of the Plan and seeking their advice and input from partners out of Region 6 to try to expedite the process.

X. LOCAL WORKFORCE INVESTMENT BOARD REPORTS:

a. **Nevadaworks** – Bradley Woodring, Chair

He noted that members were used to seeing Tom Fitzgerald for a number of years and said that they were sad to see him go in January. He added that John Thurman was now Interim CEO and he was doing an excellent job with business as usual. He said that they were currently into the RFP process and moving forward quickly to get contracts in line. He advised that they were also working on the final stages of budget preparation which would be voted on at the June meeting.

b. **Workforce Connections** – Ardell Galbreth, Interim Executive Director

He noted that they had a comprehensive handout in the packet and said they would see that they were highlighting some of the initiatives that Workforce Connections was doing ranging from Youth Career Readiness to Health Care, Green and renewable energy. He indicated that he would present an update on Workforce Connections that was not included in the packet. He noted that unlike their northern counterpart there were significant changes underway. He explained that currently they were staffed at 72 FTEs and very soon this would change as effective April 6th they had implemented a hiring freeze and in addition the board approved a reduction. He stated that by the end of April 2012 or mid-May they would be reducing staff from 72 to 56 where a total of FTEs would be lifted. He added that as they would move on through the program year there would be another 8 FTEs reduced bringing the final staff number to 48 and then by the end of the quarter of September 30th there would be another 10 which would then bring staff down to 34. He said the reduction was 54% in staff over the next six months or less. He explained that what that would mean for the Workforce Investment Area in southern Nevada was that approximately \$1.7 to \$1.8 million in additional employment training services would be available for service providers. He noted they were reducing their programmatic operating level from 16% to 10% and also there would be an additional \$1.4 million being reduced out of the operating budget. To summarize he said that there was a significant amount of cost reduction and savings taking place in the coming program year, in the amount of \$2 million. He also stated that for the current program ending at the end of June there would also be staff and operating expenses reductions. He added that would amount to approximately \$200,000 within in the next six to eight weeks.

He said that he wanted to go on record in stating that the majority of the members of the southern Nevada Workforce board at Workforce Connections did not agree with the one Board statewide. He stated that they were in agreement with the initiative mentioned by Director Woodbeck. He stated that they thought Workforce Connections should be able to play a significant role in achieving that and they looked forward to the challenge.

Assemblywoman Kirkpatrick referred to the restructuring process and the reduction of 72 employees which she noted was more than the total number of employees working in the tax department for the whole State of Nevada. She asked what his board wanted to do, have administrative people or have the money on the street. Mr. Galbreth responded that they wanted the same thing that the state wanted, to create and establish efficiencies that would be putting out more resources within the Workforce Investment Area in the south in order to put more people to work and to train more individuals. He noted that they hoped to increase their services significantly and had received extended funds from the GWIB. He added that they had been recognized at the regional level for their performance. He said that the board members wanted the same thing as the Governor wanted.

Assemblywoman Kirkpatrick responded that some of the board members did not seem to like some aspects of the restructuring. She noted that she had asked for confirmation that dollars would stay in southern Nevada and was told yes.

She also asked if they would have more money for the programs and was told yes. She stated that there was a discrepancy as he said the board members liked it but had begun by stating they did not support it and she elaborated. She asked what was it, that the board wanted to be part of the Governor's team? Mr. Galbreth responded that some board members felt that if the bureaucracy was further away there would be less connection at the local level or if decisions were made at the state level rather than the local level, local board members had expressed the opinion that that was a concern for them.

Member Geinzer commended Mr. Galbreth for taking a corrective path for Workforce Connections. For disclosure he noted that he represented the Southern Nevada Medical Industry Coalition which was a past service provider. As an example of what the changing of the structure would bring he gave an example and stated that they developed the pilot program that developed the Health Care 2020 program. He gave details of the economic impact that resulted for an initial investment of \$650,000 that allowed them to graduate 87 new registered nurses. He noted in his opinion local boards put more bureaucracies in place than at the state level.

XI. GOVERNOR'S WORKFORCE INVESTMENT BOARD COMMITTEE REPORTS:

a. Workforce Planning, Policy, and Performance Policy Committee – Mary Ann Brown, Chair

Mary Ann Brown noted the 'PPP Committee' was formed based on some frustration about the need for the GWIB to have information and to govern appropriately. She stated that they had lost some members and only the Chair of the GWIB could appoint committee members so she acknowledged the staff tried to assist but they were unable to do that. She noted that they had a list of foundational documents for review including the state plan and the consideration of how legislative issues would affect the GWIB. She added that the more positive news was that Director Woodbeck had just discussed a plan to address most of the issues that the committee was to address so he had created some of the structure and function that they had envisioned for the committee. She commented that the next step would be to consider after the restructuring for the GWIB, what would a committee look like and would there still be a need for the PPP Committee.

b. Youth Council – Eric James, Chair

Eric James noted that they were in a similar position to many councils given that restructuring was taking place. He said many matters were on hold at the moment given those changes would have an impact on what they did. He added that they had put some projects on hold to ensure they were in alignment with the Governor's plan. He noted at their last meeting they did not have a quorum so needed to meet again and this was scheduled for May. He stated that for their meeting they had invited the northern Nevada School Superintendent Morrison and explained that one of his goals was to work with both the northern and southern Nevada schools superintendents to ensure they were aware that the Youth Council was working collaboratively on the agendas for the north and south.

XII. STAFF REPORTS:

a. Workforce Investment Act (WIA) Analysis of Expenditures – Mark Costa, CFO, DETR

He referred the members to WIA analysis included in their packets. He noted on the spreadsheet that there were totals for the various grants and allocations and those totals would equal Policy 11, 10 and 9 but also include Policy Years 8 and 7. He said that future reports would eliminate those policy years as they had expired. He added that if the totals were looked at, that was why there would be some variance in allocated amounts in expenditures. He said they were currently working on policy year 12 which was currently being circulated among staff.

b. WIA Performance Measures/Levels – Grant Nielson, Chief, Workforce Investment Support Services Unit, Employment Security Division/DETR

He referred the members to the WIA Performance Measures/Levels table which outlined the performance measures for the quarter ending December 31, 2011. He stated that WIA performance was a look back as they would be waiting for wage data and the same applied to employment rates and retention rates none of which were real time data. He added that the only measure that would be real time was the youth literacy/numeracy rate. He referred to the table and noted that all the measures were at least met or exceeded with the exception of the literacy/numeracy for Workforce Connections which was 80% of the goal.

Assemblywoman Kirkpatrick asked for an explanation or more details on what the 63% meant. Mr. Nielson explained that for 'adult entered employment' the goal was 63% and he added that the definition for 'entered employment' is people being in a job within the first quarter of exiting the program. Assemblywoman Kirkpatrick asked if the standards were ever changed. Mr. Neilson responded yes, they would be negotiated every year with the DOL. She asked if there was a better kind of report.

Mr. Neilson responded this was the way the federal reports were measured. She asked for members sitting on the board if they could get more detail. Mr. Dennis Perea, Deputy Director of DETR responded that the standards under discussion had always been a point of contention as he noted, if you served eight people out of ten you could hit 80%. He said that they needed to produce price per participant data showing how many people had been trained. He said they negotiated the figures with the federal government but they needed to add another layer for performance so it could be seen how many people are being served.

Member Kathy Grost said it might be helpful if they had some clarification of what the word 'served' meant in the context of the table. Mr. Nielson noted for the measures there were specific definitions which he would be happy to send for each of them and they were based on program participation and he gave some examples. Mr. Woodbeck thanked her for the comments. He explained that Mr. Neilson was presenting information that was sent to the DOL and was standard information from across the country. He acknowledged that it was dry and did not include detail which they needed to evaluate as a board. He added that as they proceeded through the process he hoped that they would provide more substantive information regarding actual participant data, price for participant data that would give members more meaningful information to evaluate the work of service and training providers.

Member Geinzer commented that they had developed a dashboard to deliver their outcomes to the Workforce Connections board of directors. He added that he would gladly provide that to DETR and its staff and he explained details.

Vice Chair Lee took the opportunity to thank all the politicians in the meeting for their interest and attendance. Senator Ruben Kihuen apologized for arriving late.

XIII. PUBLIC COMMENTS: There was no public comment from the north or the south.

XIV. ADJOURNMENT – There being no further business the meeting was adjourned.