

**GOVERNOR'S WORKFORCE INVESTMENT BOARD MEETING**  
**AKA State Workforce Investment Board (SWIB)**  
**Thursday, September 16, 2010 – 1:00 p.m.**  
**Grant Sawyer Building – Suite 4401**  
**555 East Washington Avenue**  
**Las Vegas, Nevada**

**MINUTES OF MEETING**

**Present:** Cass Palmer (Chairperson), Mary-Ann Brown, Senator Maggie Carlton, Jo Cato, Jim Chavis, Senator Allison Copening, Pamela Egan, David Fordham, Douglas Geinzer, Romaine Gilliland, Kathy Grost, Eric James, Alvin Kramer, Richard Lee, Leslie Martin, Veronica Meter, Assemblyman James Ohrenschildt, Jean Peyton, Keith Rheault, Maite Salazar, Dr. Maria Sheehan, Bradley Woodring

**Absent:** Assemblyman Chad Christensen, Larry Mosley, Charlie Nguyen, Geoff Wilson, Frank Woodbeck, Stacy Woodbury

**Also present:** William Anderson (DETR - Chief Economist), Ardell Galbreth (DETR – Deputy Director), Kim Morrison (DETR/ESD/WISS), Lloyd Phillips (CSA/DC), Michele Montoya (CSA/DC), Elise Oshire (CSA), John Thurman (NevadaWorks), Susie Gurlani (DETR), David Jefferson (Workforce Connections), Leverne Kelley (DETR), Odalys Carmona (DETR), Earl McDowell (DETR), Heather DeSart (Workforce Connections), Cheyenne Pasquale (R.A.C.E.), Debra Collins (Workforce Connections), Cornelios Eason (Workforce Connections), Connie Williams (DETR), Tamara Nash (Staff)

- I. **WELCOME –** The meeting came to order at 1:00 p.m by Chairperson Palmer. Attendees and Board members were welcomed.
- II. **INTRODUCTION OF NEW MEMBERS –** Chairperson Palmer welcomed new Board members.
- III. **ROLL CALL AND CONFIRMATION OF QUORUM –** Roll call was heard and a quorum was established.
- IV. **VERIFICATION OF POSTING –** Ardell Galbreth stated the meeting was properly noticed and posted in accordance with Nevada's Open Meeting Law.
- V. **DISCUSSION/POSSIBLE ACTION: APPROVAL OF THE JUNE 17, 2010 MEETING MINUTES – It was moved, seconded, and carried to approve the June 17, 2010 meeting minutes.**
- VI. **PRESENTATION: NEVADA'S ECONOMIC OUTLOOK –** With presentation information, William Anderson, Department of Employment, Training and Rehabilitation (DETR) - Chief Economist, provided a brief economic overview. He explained that the official July unemployment rates were at approximately 14.3% compared to the national average of 9.5%. Unemployment rates appear to be bottoming out, but there does not appear to be a strong catalyst on which to build a solid foundation for job growth. Therefore future job growth may be modest. Mr. Anderson reported that there are six alternative measures of labor under-utilization (U-1 through U-6) on the horizon at the national level, and work has been done with the Bureau of Labor Statistics to bring them down to the Nevada level. U-1 is the most conservative estimate of individuals who have been out of work fifteen weeks or longer and the estimates progress through the levels adding additional categories of people who are unemployed or under-employed. It was noted that Nevada's unemployment rate currently leads the nation, with a rate of 21% when you use the U-6 definition level versus the national average of 13%.

The following discussion was held:

- David Fordham commented that, at the last Board meeting, members were told that the most recent unemployment figures would not be available until the next day. When he got home, he found them on the Internet under the Channel 3 report, so there is a leak somewhere. He reported that in the past six weeks there has been a large increase in inquiries regarding leased space in the retail and office real estate market in Las Vegas. Mr. Anderson replied that he would address the first issue with his Public Information Officer. Regarding the second comment, he noted that his office is beginning to receive indications that things may be bottoming out.
- Maria Sheehan requested to know if there is a disparity between the unemployment rates in the northern part of the state versus the southern portion of the state. Mr. Anderson replied that the 14.3% rate is the statewide average, and the portions of the state with the best rates are the rural areas, with ties to the mining industry.

- Keith Rheault requested to know what the definition of “Marginally Attached Workers” is as listed at the U-5 and U-6 levels. Mr. Anderson responded that this includes persons who are available and willing to work, but are not looking for a job. An example would be females who are on maternity leave.
- Chairperson Palmer requested to know if the U-3 number was the standardized number used throughout each state. Mr. Anderson replied that it was and it corresponds with the national unemployment rate. A brief discussion was held regarding the timing of the Board meeting for next year to better coordinate with the release of the most updated unemployment rates.
- Kathy Grost commented that Mr. Anderson had stated he would provide some demographic information in his presentation. She requested to know if there was anything of significance was available for the Board. Mr. Anderson replied that some of this information is included in the written material that has been distributed.
- Chairperson Palmer requested to know what top two or three indicators would signal to Mr. Anderson a turn-around. Mr. Anderson replied that a return to positive job growth and improvement in the unemployment rate would be important indicators to watch.
- Mr. Anderson was requested to provide additional information on the role that small businesses would have in creating new job growth. Mr. Anderson reported that small businesses with one hundred to five hundred employees have seen the largest loss of jobs, and these businesses are mainly in the construction sector. Very small businesses with between one and nineteen employees had done better, until the past twelve months, when a decline was seen.
- Douglas Geinzer requested validation of the information he has heard that Nevada is experiencing a \$25 million a week expense because of unemployment benefits, and asked if there was a cost-per-unemployed available. Cynthia Jones, Administrator, DETR, reported that currently the average weekly benefit is approximately \$300 per worker which is being paid to 144,000 workers who receive regular unemployment benefits. This figure does not include the extended benefit claims expense. Mr. Anderson commented that he does not have the full set of figures with him today, but he would forward this information to the Board following the meeting.
- Senator Carlton requested more detail regarding the number of the state’s residents in the various ranges of length of time receiving unemployment so she could gain a better understanding of when these people may be exhausting their benefits. Mr. Anderson noted that there are various extension programs in place, but currently approximately 60% of people receiving unemployment are close to exhausting their regular benefits. This figure is approximately double where it would be in normal economic times. Ms. Jones reported that at the present time, approximately 44,000 workers eligible for unemployment have exhausted all of their benefits, including the available extensions.
- Mosh Bialac, AFLCIO Statewide Job Corp Leader, commented on the social aspect that is a result of this volume of unemployed workers. He suggested that it might be helpful to receive input from the state’s enforcement agencies to gain a better understanding of how this current situation affects the social and quality of life in Nevada. Mr. Bialac reported that in some instances, employees are laid off by a business for no other reason than it being a security move. Lastly, he commented on various infrastructure projects that could be pursued in order to provide jobs, such as the Fernley Dike. Chairperson Palmer agreed that more research should be done regarding the social impact of this economic downturn, and he will pursue the issue with staff as well as the suggested infrastructure projects
- Assemblyman Ohrenschall requested to know what the 44,000 unemployed workers who have exhausted all of their benefits need to do in order to again qualify for benefits. Ms. Jones replied that in answer to a previous question, the average duration of regular unemployment benefits is now at nineteen weeks. She reviewed how eligibility for unemployment insurance benefits is calculated. Assemblyman Ohrenschall commented that the legislature has worked to promote green energy and opportunities for jobs in the area of road construction. He requested to know if employment has increased in those areas. Mr. Anderson responded that various non-residential construction activities are beginning to be seen, but it is difficult to ascertain whether or not these are green jobs.
- Mr. Anderson was asked if the state’s population figures have changed. He replied that at the current time, the population numbers are pretty stagnant.

Chairperson Palmer commented that this presentation was intended to show where the state is at the current time, and the following agenda items are aimed at informing the Board of some proposed solutions. He noted that it is critical to bring new businesses into the state, and to have our residents ready for these opportunities.

- VII. PRESENTATION: TRANSITION FROM AMERICA’S JOB EXCHANGE TO JOBCENTRAL NATIONAL LABOR EXCHANGE (NEVADA’S JOB BANK)** – Cindy Jones reported that states are required to participate in a national labor exchange. She introduced Susie Giurlani and Kim Morigeau from DETR. Ms. Giurlani reviewed the history of the national job bank, and the progression of this service from being funded by the Department of Labor to being funded by direct employers. This service assists employers in meeting their compliance requirements; provides a place for them to list job opportunities; and helps job seekers in finding employment opportunities. There is no charge for the service, and the information is updated in a timely manner. Employers who have previously utilized the state’s America’s Job Exchange website have already been converted to the new website that will be available beginning October 4, 2010. She commented that forty-seven states have agreements with JobCentral to share job bank information. She reviewed some of the features of

the program, including the provision of assistance for military personnel in converting their military job qualifications to match with the civilian job force.

Kim Morigeau provided an overview of the Rapid Re-employment Initiative (RRI). The purpose of the initiative is to recommit the national labor exchange to assist employers in finding good workers, and assist employees in finding good jobs faster and more efficiently. Part of the initiative is participation in the JobCentral program. Although forty-seven states and Washington D.C. have signed agreements to implement RRI, only six of them have implemented the initiative or are moving towards implementation. Nevada will implement RRI after JobCentral comes online. This initiative will provide value-added services to both employers and job seekers. A free service that will be offered on a national level is to match downsizing employers with hiring employers in order to job-match displaced workers. She reviewed the benefits of this approach, and the publicity that is planned in order to inform the public regarding how to utilize the resources of the initiative.

The following discussion was held:

- Douglas Geinzer commended staff for this effort, and stated that the initiative would be very beneficial for the state's residents.
- Maria Sheehan requested to know how this initiative would be funded. Ms. Giurlani replied that there is no cost to the states for the initiative other than in-house staff time necessary to monitor the system and listings, which is now completed under the current system. Ms. Jones commented that no staff expansions are planned in connection with the initiative. The funding comes primarily from a consortium of businesses that see the value of the national labor exchange system.
- David Fordham requested to know if there were savings associated with the initiative. Ms. Jones responded that there are no savings, but rather it is a breakeven activity for an increased level of technology. He noted that at the last meeting, Tom Fitzgerald reported on activity in the northern portion of the state through JobSearch program. He requested to know if this initiative negates that. John Thurman, Nevadaworks, replied that this would not negate the work being done by Mr. Fitzgerald since it is very specific to the counties of northern Nevada.
- Kathy Grost requested to know how this initiative will assist the businesses in Nevada in terms of employment growth within the state versus the work being done by Nevadaworks that is focusing on the counties in the north part of the state. Ms. Jones replied that she wasn't sure how this could be tied into job loss, but rather the purpose is to connect job openings to a skilled and qualified work force which, in turn, would reduce the amount of unemployment insurance expense.
- Veronica Meter requested to know if there is a specific timeframe for this program to be in place. Also, would this generate an expiration of the current public/private partnership or would it be ongoing. Ms. Jones responded that to her knowledge, it would be ongoing. She pointed out that it is required that the state have a national labor exchange.
- Kathy Grost requested to know if there would be additional benefit for the Nevadaworks system with the implementation of the initiative since there is a cost associated with the Nevadaworks system. Ms. Jones commented that some analysis would need to be done to see where there is an overlap. John Thurman agreed that there may be a potential for some overlap, and further analysis would be needed.
- Chairperson Palmer commented that with the evolution of technology, it is his belief that the savings to the state with the implementation of this initiative would be seen in the years to come. Also, it would be very beneficial to private employers in making their business decisions. He stated that it is a good program, and would assist in putting people back to work.
- Eric James commented that it appeared to him that there may be some duplication between the initiative and Nevadaworks, and further research of the two programs needs to be done in order to incorporate the best facets of each system.
- Brad Woodring, Nevadaworks, agreed that further discussion with Ms. Jones and her staff would be beneficial. Ms. Jones commented that the goal is to have the best technology possible available.

**VIII. PRESENTATION: SECTOR COUNCILS** – Earl McDowell, DETR Workforce Solutions Unit, introduced himself. He reported that a Sector Council is a group of decision-makers from various business aspects to discuss and analyze initiatives to support regional workforce development and goals as established by this Board. The Workforce Solutions Unit was created as a result of the legislation, SB 239, passed last year. The Unit will propose Sector Councils to address skill gap issues and implement solutions in key factions of the economy in the state. Mr. McDowell reviewed the membership of the Unit. The sectors under consideration for a Sector Council are: Healthcare and Social Assistance, Manufacturing, and Leisure and Hospitality. He reviewed the various issues each Sector Council could address.

Ardell Galbreth, DETR, requested that Ray Bacon and Debra Collins provide input regarding the importance to the state of the manufacturing and healthcare sectors. Mr. Bacon, Nevada Manufacturers' Association, introduced himself. He commented that this sector has experienced severe job loss due to the economic downturn, even though the losses are not as big as in the construction and hospitality/leisure sectors. He noted that there is potential for manufacturing to recover due to its diversity, including the opportunities available through green energy. Mr. Bacon pointed out that one of the challenges in the manufacturing sector is that qualified workers have left the state to find work elsewhere, and reviewed some steps being taken to address the issue.

The following discussion was held:

- Veronica Meter requested to know, in the interest of not duplicating services, how these Councils will work with existing economic development types of programs that are already in existence in the state. Mr. Bacon replied that the hope is that they would be synergistic. The goal is to bring new employers into the state that would have a need for additional employees from the local workforce. He commented that in his discussions with Mr. McDowell, the Sector Council would be more focused on building up the existing manufacturing base from the lows as a result of the recession. He stated that although there might be some duplication, he believes that it would be minimal. Ms. Meter requested to know how best to proceed from the discussion of ideas to actual actions since timing is crucial. Mr. Bacon replied that he doesn't have a ready answer to that question, and he has the same concern. Ardell Galbreth commented that part of the sector initiative is to bring this Board information in order for them to have the necessary knowledge to take the actions needed. A brief discussion was held regarding the various entities from the private sector that would need to work with the Sector Councils in order to make the initiative work.
- David Fordham expressed his support for targeting the healthcare sector given the large number of employees in that industry. He requested to know how many people are employed in the leisure/hospitality, construction and manufacturing sectors. Mr. McDowell replied that there is an excess of 100,000 people in the leisure/hospitality sector and approximately 40,000 in the manufacturing sector. Mr. Fordham requested to know why, with 100,000 to 200,000 construction workers and a 60% unemployment rate, the construction sector is not being targeted versus the manufacturing sector. Mr. Galbreth commented that this sector would be targeted in the near future. Mr. Fordham stated that he would prefer that it be targeted before the manufacturing sector since the infrastructure to support heavy manufacturing is not present in Nevada. Mr. Galbreth replied that this would be taken into consideration, and report would be brought to the Performance, Planning and Policy Committee.

Debra Collins, Workforce Connections, reported on the activity underway in the various sectors. She noted that grant funding is being sought in the area of healthcare, and reviewed some of the applications.

The following discussion was held:

- Senator Carlton commented that in addition to her senatorial duties, she works for the Primary Care Association of Nevada. She noted that one of the biggest issues under discussion is workforce development, the lack of workforce in healthcare, and the boom that is about to happen. She expressed her support for the healthcare and social assistance work being done and offered her help in any way needed. Various Board members expressed their interest in participation in the Healthcare and Social Assistance Sector.
- Ardell Galbreth commented that the issue of including the construction sector at this time would be further researched.
- Brad Woodring commented that he would be willing to work with Ray Bacon on the Manufacturing Sector Council. He pointed out that there are many workers in the construction sector that could easily move their skill set over to there.
- Mary-Ann Brown volunteered to work on the Healthcare and Social Assistance Sector. She noted that as Board members, there are committee assignments as well as sector assignments.

## **IX. LOCAL WORKFORCE INVESTMENT BOARD REPORTS**

**A. NevadaWorks** – Brad Woodring, Chairperson of Nevadaworks, commented that a written report from Tom Fitzgerald, CEO, has been included in the agenda packet. He asked if anyone had any questions or comments, and none were offered.

**B. Workforce Connections (formerly Southern Nevada Workforce Investment Board)** – David Jefferson, COO for Workforce Connections introduced himself, Heather DeSart and Sylvia Spencer. He commented that the 2009 Annual Report had been distributed and was on their website. He reviewed items contained in the report and noted some of the successes of the program. He thanked the staff at DETR for their work and support in conjunction with Workforce Connections, and the noted positive impact that is being seen.

Heather DeSart provided an update on the adult programming and reported that fifteen contracts would be rolled out this year. Two of them would be in the rural areas of Lincoln and Nye Counties which would provide these rural counties with services. Two Sector strategy request for proposals have been sent out, tentative bidders have been selected, and would be presented for her Board's approval. She thanked this Board for their support in facilitating these activities.

Sylvia Spencer, Youth Department Programs and Director, also thanked this Board for their assistance and support. She noted that her department has been working on a Performance Improvement Plan. She thanked Oxalis Carmona, DETR, for her assistance with it, as well as the support which has been given by the Governor's Youth Council. Ms. Spencer commented that her department has undergone change, and improved outcomes are being seen. She noted that Nevada is one of the five states that have been recognized by the Department of Labor for their innovative programs, and she commented

that this Board's support of the Ready for Life Program made this possible. Ms. Spencer reported that monthly department meetings are held on the first Tuesday of the month, and any Board member interested in attending is welcome to do so.

Chairperson Palmer requested that Mr. Galbreth provide a brief overview of performance measures. Mr. Galbreth reported that for 2009, Nevada has been above 80% on all of the measures, and 100% on most of them. Chairperson Palmer congratulated staff on their efforts.

Ms. Spencer reported on some upcoming Youth Department events.

## **X. GOVERNOR'S WORKFORCE INVESTMENT BOARD (GWIB) COMMITTEE REPORTS**

**A. Workforce Planning, Policy, and Performance Policy Committee** – Chairperson Palmer requested that, due to time constraints, the Board review their written reports under this agenda item title and forward any questions or comments to staff for distribution.

**1. Update – Strategic Plan Goals, Objectives and Strategies** – As stated above.

**2. Report of Program Year 2009 Workforce Investment Act (WIA) Performance Outcomes** – As stated above.

**3. Temporary approval for Workforce Connections staff to directly deliver/provide core and/or intensive services to its rural workforce areas** – As stated above.

**4. Establishment/Approval of three new Sector Councils – Leisure and Hospitality; Manufacturing; and Healthcare** – As stated above.

**B. Governor's Reserve Funds Budget Committee** – As stated above.

**C. Marketing & Business Support Committee** – As stated above.

**D. Youth Council** – As stated above.

**E. Green and Renewable Energy Sector Jobs Council** – As stated above.

**XI. STAFF REPORTS** - Chairperson Palmer requested that, due to time constraints, the Board review their written reports under this agenda item title and forward any questions or comments to staff for distribution.

**A. WIA Financial Update** – As stated above.

**B. WIA Performance Update** - As stated above.

## **XII. PUBLIC COMMENTS**

**A.** Moshe Bialac, AFLCIO Statewide Job Corp Leader, commented that he understands that empty buildings deteriorate due to the lack of use. He provided examples of where small manufacturing does help to fill these vacant facilities. He reiterated that the social impact of this recession needs to be studied, and he suggested that the impact on students in the school system who come from homeless families also be included. Lastly, Mr. Bialac reported that residential suites that are used for business travel are now being used by families on a weekly or monthly rental basis because there is not the up-front cost that is needed for a regular rental.

**B.** Senator Carlton announced that as of November 2, 2010, she would no longer be a State Senator, and therefore her appointment to the Board would be at an end. She thanked everyone for their hard work, and offered to continue her participation with the Healthcare Sector Council. Chairperson Palmer stated that Senator Carlton's continued participation would be very much appreciated.

**C.** Kathy Grost commented that she, as well as other fellow new Board members, do not fully understand the process by which they could become active in committees and be a part of developing action steps to address issues. She requested assistance in facilitating their inclusion in the process. Chairperson Palmer requested to know if she would like to volunteer to serve on the Budget Committee. Ms. Grost replied that she would be happy to consider this, and pointed out

that she has attempted to volunteer for a couple of the committees and has not received any follow-up communication. She stated that she is not the only Board member who is in this situation.

Richard Lee volunteered Brad Woodring to serve on his committee. Mr. Woodring declined, but echoed the sentiments expressed by Ms. Grost. He commented that he has not attempted to volunteer as yet due to his newness on the Board, but his past experience volunteering with other groups points out the necessity of the active involvement of the Board members. He requested an agenda item at the next meeting regarding the process to get new Board members involved.

Maria Sheehan suggested that it would be helpful, prior to the next meeting, if the Board members were furnished with a listing of the various committees, their meeting schedule and contact information for the Chairs of the committees.

Mary-Ann Brown commented that previously, orientation materials were given to new Board members. In that packet was information regarding the committees, their function and current activities, and volunteer opportunities or assignment to a committee. She noted that this information could be furnished to all of the Board members to update them. Tamara Nash commented that this information was furnished at the Board's last quarterly meeting, but she would follow up to make sure all Board members have it.

Ardell Galbreth stated that this is part of the Strategic Planning Goal and Objective (1.1, Strategy 3).

Chairperson Palmer requested that Ms. Nash get this information out to new Board members within the next two weeks and schedule orientations for them. A brief presentation will be made at the next meeting.

**XIII. ADJOURNMENT** – Chairperson Palmer stated that the next meeting is scheduled for December 9, 2010. There being no further business, the meeting adjourned at approximately 3:23 p.m.