

GOVERNOR'S WORKFORCE INVESTMENT BOARD MEETING
AKA State Workforce Investment Board (SWIB)
Thursday, December 15, 2011 – 1:00 p.m.
Grant Sawyer Building
555 E. Washington Street, Room #4412
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), Douglas Geinzer, Romaine Gilliland, Kathy Grost, Eric James, Assemblywoman Marilyn Kirkpatrick, Senator Ruben Kihuen, Senator Mark Manendo, Leslie Martin, Assemblyman James Ohrenschaal, Keith Rheault, Dr. Maria Sheehan, Frank Woodbeck and Bradley Woodring.
- Absent:** Mary-Ann Brown, Jo Cato, Pamela Egan, Maite Salazar, Dennis Shipley and Geoffrey Wilson.
- Also present:** William Anderson, (DETR – Chief Economist Research and Analysis Bureau), Holly Balmer, (NSHE), Mark Bayer, (Arsenal), Jonathan Begley, (Nevadaworks–Resource Coordinator), Derrick Berry, (DETR), Moshe Bialac, Odalys Carmona,(DETR), Debra Collins, (Workforce Connections), Venus Fajota, (DETR), Tom Fitzgerald, (Nevadaworks), Ardell Galbraith (Workforce Connections), Capucine Holmes, (CNG Family Life Center), R. Kelley, (DETR), Earl McDowell, (DETR – Deputy Administrator, Workforce Solutions Unit), Tamara Nash, (State Board Liaison), Mr. Grant Nielson (DETR – Workforce Investment Support Services Unit, Employment Security Division), Renee Olson, (DETR – CFO), Donna Romo, (DETR), Tom Sims, (Photos), H. Thomas, (GNJ Family Life Center), Amy Tupper, (Arsenal), Dr. Marcia Turner, (NSHE/Healthcare Sector Council), Mae Worthey, (DETR), Linda Yi, (Nevada HC Sector Council).

- I. WELCOME** – Vice Chair Richard Lee called the meeting to order at approximately 1:00 p.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 JUNE 23, 2011 MEETING MINUTES** – It was moved, seconded and carried to approve the June 23, 2011 Meeting Minutes.
- VI. PRESENTATION: NEVADA'S ECONOMIC OUTLOOK** – William Anderson, DETR Chief Economist – Research and Analysis Bureau first commented on the highlights of the report and showed charts reflecting unemployment rates, job growth and additional analyses of the State's labor markets. He considered first the national perspective and stated that it was initially thought to be a jobless recovery but noted that there was some job growth although not sufficient to affect the jobless rate. He commented that during the first two and half years of the recovery 1.2 million jobs had been created nationwide. He compared this to the early 2000s, impacted by events in the Middle East, and added that they were short in relation to historical norms of the early 80s when in excess of 8 million jobs were created during a similar period of recovery and also in excess of 2 million jobs in the early 90s. In summary jobs were being created but less than expected in an economic recovery.

He reported on underlying dynamics in the labor market and categorized the unemployed. He reported that wages were on the rebound from a decline in 2009/2010 and were up 2.7% from a year ago. He reported that the unemployment rate was 13.4% for October, approximately 4.5 % higher than nationwide. Included for comparison he noted that California has the

second highest unemployment rate at 11.7%. He reviewed the demographics of unemployment in Nevada. He commented on the employment figures and noted signs of improvement and growth in specific industries/fields. He reported labor market churn with hiring activity of 160-170,000 jobs quarterly, growth of businesses and a reduction in unemployment insurance claims. He commented on aspects of insurance claims, future prospects for economic growth and a reduction in the unemployment rate.

Member James asked if they were borrowing funds from the federal government to fund unemployment benefits. He also asked that, considering unemployment claims were down to 20,000 from 36,000, had they been able to rebound taking into account additional tax revenues. Mr. Anderson stated that borrowings rose and peaked in excess of \$770 million earlier in 2011. He commented that the majority of states were in a similar position to Nevada, borrowing to maintain their unemployment insurance fund. He reported that now as employment and businesses were growing they were at \$725 million in loan balances. Member James noted the discouraged workers group, part of the unemployed statistics and asked why they were considered part of a distinctive group in the current economy as opposed to just forming part of the general unemployed total in the past. Mr. Anderson stated the definition of being counted as unemployed was that one would have to be actively looking for work. He explained that they obtained their figures from samplings of monthly household surveys and reviewed them over a period of a year. He reported that they had approximately 14,000 discouraged workers in Nevada for the course of the last year as compared to 2,000 prior to the recession. Member James asked if new hires were receiving a reduced income level. Mr. Anderson replied they looked at those numbers on an aggregate basis. He explained that employment numbers were up but the industry was hiring at a lower base. Vice Chair Lee noted that following a period with a phenomenal loss of jobs the current trend where it is now flat would be considered the new 'up'.

VII. PRESENTATION: STRATEGIC ROLE AND MISSION OF THE GOVERNOR'S WORKFORCE – Mr. Frank Woodbeck, DETR, Director – Mr. Woodbeck was invited to provide information on his background as he was new to his position. He discussed the implementation of the economic development research that had been done and the industry sectors the state would concentrate on for economic development diversity. He commented that the Governor's Board currently had slated a size of 35 members and 51% of the membership by statute would come from the business community. He noted that the economic development results had called for seven targeted sectors for industry growth in Nevada, two already being gaming and mining. The others would be based on opportunity for growth based on resources and human assets. It was understood that a qualified workforce would be necessary to have a positive impact on economic development and discussions took place concerning priorities under which the industry sectors would be addressed. This would include training necessary to provide the qualified workforce in each sector.

On the issue of training he anticipated that the Governor's Board would act as the focal point for the flow of information from the Governor's Office and economic development, through DETR, to the local boards. He commented on the importance of the sector councils and how they would come into play providing real-time intelligence on particular industry sectors and required training to support the economic development goals. He commented that the Governor's Office had hired industry sector strategists to sit on the councils and a member of the councils would sit on the GWIB ensuring a flow of information. He reported discussions had taken place with the executive directors of Nevadaworks and Workforce Connections to ensure training was aligned with such economic goals. He commented that it was an exciting and challenging time and the GWIB would influence the direction in the state.

VIII. PRESENTATION: UPDATE ON STATUS AND ACTIVITIES OF NEVADA'S INDUSTRY SECTOR COUNCILS – Mr. Earl McDowell, DETR, Deputy Administrator, Workforce Solutions Unit provided some background on the councils including Senate Bill 239, the definition and composition of the councils. He commented on several of the main responsibilities of councils which included developing sector strategy plans to support sector businesses and resource needs, map out talent pipelines and identify five or six industries for training and funding.

A. Green and Renewable Energy Sector Council -- this includes utilities, construction, waste management, core green products and activities, energy efficiency and renewable energy and natural resource conservation among others. This council was awarded \$6 million from the Department of Labor for a State Energy Sector Partnership (SESP) training grant.

B. Health Care Sector Council -- this includes health care, social assistance, professional scientific, technical services in industry among others, all designed to improve the overall quality of life. He noted they are currently working on a HRSA (Health Resources Services Administration) planning grant awarded to DETR and Workforce Connections designed to increase the primary health care workforce and obtain eligibility to apply for \$3 million HRSA 2-year implementation.

C. Leisure and Hospitality Sector Council -- noted that this includes retail, accommodations and food services. The sector experienced a period of slow growth but was coming back and was identified as an important sector for Nevada.

D. Manufacturing Sector Council -- this includes mining, transportation, factory manufacturing among others. He reported that as a group the industries in the sector have held their own but the factory sector has been in decline. He noted the Brookings Report identified three other sectors, Business IT Systems, Logistics & Operations and Aerospace & Defense.

Vice Chair Lee asked if they had been advised of the Chair and Vice Chairs of the sector councils and if any were present. Mr. McDowell responded yes and noted he would be sending a list of names and they would be in attendance at future meetings. Mr. McDowell introduced Dr. Marcia Turner who would be serving as Chair of the Health Care Sector Council.

Member Bradley Woodring asked how long the sector had been in existence and when had they organized the Chairs and Vice Chairs and also how the members of the GWIB would be involved. Mr. McDowell responded they had been in existence for approximately a year when he had joined the GWIB and identified the four original sectors. He described the process of choosing the Chair and Vice Chair for each council. Vice Chair Lee added that they were open to having suggestions and people recommended by board members for any sectors. Member Woodring asked if there would be a requirement by the Chair and/or Vice Chair to report on findings of the individual committees at the GWIB meetings. Vice Chair Lee responded yes and that from that point they would have each of the Chairs come forward with updates on the sector councils. Vice Chair Lee added that Dr. M. Turner was there and would provide an update on the Health Care Sector.

Dr. Turner commented that they would be happy to provide regular updates. She noted that the council had accomplished several important things including identifying some federal funding to fund the work of the council and were currently pursuing a grant to look at various aspects of the workforce. Dr. Turner also summarized other activities of that council. Dr. Maria Sheehan asked as a training provider, what was next and on the horizon. Dr. Sheehan noted she had discussed leveraging, packaging and utilizing existing resources with Mr. Woodbeck and she asked if there was anything in terms of training within two years that would take one to three years for which they should be preparing. Dr. Turner stated that they were trying to do research within NSHE (Nevada System of Higher Education) and identifying opportunities with their grant submission as well as knowing strengths within their pipeline to ensure they would meet the current and emerging needs. Dr. Turner added that the health care profession was comprised of traditional medical staff and new professions with the advent of health information technology. Dr. Sheehan asked with regard to infrastructure, how was each council supported and how is the information being given to providers. Dr. Turner responded to the second question and stated it would be an ongoing process. Vice Chair Lee noted with regard to information they would have a web page having the minutes, agenda and current developments for each sector.

Member Woodring thanked Dr. Turner for her excellent report and Mr. McDowell was asked for a copy of the application form for someone who wanted to serve on a council. Mr. McDowell confirmed that he would ensure that Vice Chair Lee would get a copy of the application form. Member Kathy Groat commented that seven sector areas had been identified including health care which she felt was not unique to Nevada as it existed in almost every state. She asked if there were areas unique to Nevada that might be identified as other target sectors. Mr. Woodbeck agreed that health care was of interest in each state but he noted Nevada had some unique qualities including information technology including cloud computing and data storage.

Assemblywoman Marilyn Kirkpatrick asked about the goals of sector councils, accessibility, job qualifications and the issue of grants. Mr. McDowell noted that they were looking at outside sources as well as grants and addressed the issue of qualifications with regard to business needs. Mr. Woodbeck responded to Assemblywoman Kirkpatrick's questions about lack of progress. He stated that they were past the planning stage and noted that the recommendations he would soon present to the chief of staff would include implementation of a plan under which the Chairs of the sector councils would be part of the Governor's Board. He added that the structure of the board was not 51% membership from the business community but it would be restructured to reflect the private/public partnership. He elaborated on current projects and training initiatives going forward.

PRESENTATION: DREAM IT DO IT NEVADA (JOJO MYERS, LEADERSHIP TEAM) NEVADAWORKS – Jonathan Begley, Nevadaworks, Resource Coordinator, commented he was also representing the team of Dream It Do It Nevada. He made reference to the Manufacturing and Mining Sector Council and noted it was at an advantage with employers at the table ready to act and the workforce system being brought to them. He stated that Dream It Do It is a national movement started by the Manufacturing Institute and he gave an overview of Dream It Do It and its board structure. He emphasized that it was a marketing campaign driven by the private sector and it had as one of its goals establishing career

pathways for youth and returning veterans in new areas of manufacturing using science and technology. He discussed the Skill Certification System established by the National Association of Manufacturers which is nationally portable and industry-recognized and therefore an economic development tool. He stated that they were trying to attract companies to Nevada and it was necessary to have a recognized certification system. He discussed a new program called Right Skills Now which is a fast-track model for machinists, a 16-week program teaching essential machinist skills combined with an internship and how its participants are moving into the workforce.

Member Grost said that the program appeared to be at the community college level and when did they anticipate that it would be part of the K-12 system. Mr. Begley stated the first step was ensuring the pathways were in place and he stated the first levels of the certification system would be in place shortly. Dr. Sheehan said the average age of a community college student was 30 and she did not see it directed to recent grads and she emphasized the importance of showing technical careers as a viable option as opposed to a liberal arts degree. Mr. Begley agreed. Member Keith Reheault stated they had organized an advisory group at the State Department of Education in career and technology and he thought the program was good and matched. Vice Chair Lee asked for a copy of the Brookings Institute Report and he asked if it could be made available to board members also. Vice Chair Lee commented that there is a state law that forbids full-time employment of doctors in hospitals and he felt that most respected hospitals providing state-of-the-art healthcare have full-time employed physicians. He thought that they should review that state law and consider recommendations.

IX. LOCAL WORKFORCE INVESTMENT BOARD REPORTS: –

A. NevadaWorks - Bradley Woodring, Nevadaworks, Chair, reported that at Nevadaworks they had been working hard on all their contracts they awarded earlier in the year and their fiscal and all the programs were right on schedule. He confirmed that by June 30, 2012 Nevadaworks would have utilized all their funds and members would receive a detailed report in their packets. He announced the retirement of Tom Fitzgerald, the CEO of Nevadaworks, who would step down in January 2012. He thanked Mr. Fitzgerald for his dedication and hard work for the State of Nevada and wished him well.

B. Workforce Connections - John Ball, Workforce Connections, Executive Director. Mr. Ardell Galbraith presented on behalf of Mr. Ball. He highlighted several main points from their report. He referred to the SESP and noted that Workforce Connections has put an addition million dollars to support the green and renewable energy sector fields targeted at youth services. He reported that they had instituted a new financial system. He described recent business partnerships with regard to youth services information on additional grants. He described ITrack, a new reporting system. He noted that either he or Mr. Ball would welcome any questions regarding new initiatives outlined in their packages.

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

A. Workforce Planning, Policy and Performance Policy Committee -- Mr. Grant Nielsen, DETR, Chief, Workforce Investment Support Services presented for Ms. Brown. Mr. Nielsen noted that he did not have a formal report as their committee had not met since the last meeting of the GWIB. He stated there was difficulty in getting the group together. He reported the Workforce Investment Support Services had conducted an informal hearing on the (WIA) (Workforce Investment Act) state compliance policies. Both boards were in attendance and they discussed changes desired by staff and they were currently under review.

B. Governor's Reserve Funds Budget Committee -- Mr. Frank Woodbeck, reported that the Governor's reserve funds had been eliminated by DOL. He noted that there was no report and he recommended that they dissolve the budget committee for the near term until a determination had been reached regarding the potential for having Governor's reserve funds. Vice Chair Lee asked if they needed to have it formally proposed. Ms. Tamara Nash confirmed it was not an item listed for action so action could not be taken but that they could accept the Chair's recommendation to make it inactive. Vice Chair Lee stated that they accepted the Chair's recommendation. Mr. Woodbeck confirmed that was acceptable. Member James, Chair of the Youth Council asked that they receive some input at some date regarding funding for programs considering the recommendation to make that budget committee inactive. Mr Woodbeck confirmed he would address that request.

C. Youth Council -- Eric James, Chair noted that there was no formal report but they had just met. He reported they were looking for grant opportunities as many of their existing programs with funding were coming to an end. He asked if the committee had specific directions they would like the Youth Council to take or areas to target.

XI. STAFF REPORTS:

A. Workforce Investment Act (WIA) Analysis of Expenditures – Renee Olson, DETR, CFO commented on the report titled Analysis of Expenditures, dated November 30, 2011 and stated that the 10% Governor Reserve Funds were no longer

available as the funds went to the local board level. She reported that several items were ongoing expenditures for IT support, public relations and community college apprenticeship programs and they would be funded by remaining Governor Reserve Funds or through the 5% administrative funds. She noted that they had available approximately \$87,000 not committed to any particular project with the Governor's reserve money and \$2.5 million for administrative funding.

B. Workforce Investment Act Performance Measures/Levels -- Grant Nielson, Chief referred to the packet and two sheets in particular regarding WIA performance measures and levels, made some corrections and reviewed the previous and updated information. He provided statistics and literacy/numeracy rates for Workforce Connections and reported on costs for programs.

Assemblywoman Kirkpatrick asked for additional information and a hard copy regarding the costs. Mr. Nielson explained some details. She asked what the participants received for the dollars. Mr. Nielson responded that information would be obtained from the local boards within a few weeks.

XII. GOVERNOR'S WORKFORCE INVESTMENT BOARD 2012 MEETING CALENDAR: - Vice Chair Lee referred them to the packet with the calendar meetings for 2012 and asked for any input negative or positive regarding having meetings on Thursday. None were received and the schedule remained for Thursdays. He asked for a commitment from committee members that they would proceed more aggressively in 2012. He asked for full attendance at the meetings and commented they needed to attend or send a substitute. He added that if that was not possible he would prefer they not serve.

XIII. PUBLIC COMMENTS:

Making comments on his own behalf, Mr. Moshe Bialic stated he was pleased that aerospace was considered as an area for development considering resources in Nevada. He stated that when they make grants or tax exceptions available that it should stipulate made in America and they should use American contractors. He touched on training in new and existing industries and thought working conditions and wages should be reviewed for Nevada. He touched on the cost of education and healthcare issues.

XIV. ADJOURNMENT – There being no further business. Vice Chair Lee wished everyone a Merry Christmas and a Happy New Year. The meeting was adjourned.