

Workforce Development Board (WDB)

Date Thursday, February 15, 2018
Time 8:00a - 9:30a
Place San Diego Workforce Partnership, 3910 University Ave., San Diego, CA
Julie Benedict Community Room, 3rd Floor

AGENDA

WELCOME & INTRODUCTIONS

- Call the meeting to order
- Non-agenda public comment

REPORTS & UPDATES

- Item #1: Chair Report
- Item #2: CEO and Staff Report

ACTION ITEMS

The following items are recommended to approve as one motion through a consent agenda:

- Item #3: Minutes of the December 07, 2017 Workforce Development Board Meeting
- Item #4: Lease Approval for North County Coastal Career Center
- Item #5: Board Membership – Dr. Sammy Totah

INFORMATION ITEMS

- Item #6: Event Update – Stanford Economist Raj Chetty and Opportunity Youth Summit
- Item #7: Program Performance Dashboard
- Item #8: Transition of the America’s Job Center of California (AJCC) Network

CLOSED SESSION

- Item #9: Closed Session (Authority Government Code Section 54956.8)

RECONVENE IN OPEN SESSION

ADJOURNMENT

NEXT MEETING

- April 19, 2018 – WDB Retreat from 8:30 am to 2:30 pm – Location: TBD

PUBLIC COMMENT: Members of the public may address the Board on issues on this agenda (three minutes per subject) and/or other items within the Board’s scope. To speak, submit a “Request to Speak” form prior to the meeting. The SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

Item #1: Chair Report

Workforce Development Chair to provide updates on WDB activities.

Item #2: CEO & Staff Report

SDWP's CEO will provide an overview of organizational milestones over the last two months, including:

- New funding awards in retail and healthcare
- National recognition from the National Association of Workforce Boards
- Execution of a new contracting model
- CONNECT2Careers hitting its 2017 goal of 2,000 placements

Item #3: Minutes of the December 07, 2017 WDB Meeting

Members Present

Phil Blair	Ky Lewis	Tom Lemmon
Omar Passons	Mark Starr	Andy Berg
Annie Taamilo	Erik Caldwell	Althea Salas
Carlos Cortez	Mary Burton	Shandon Harbour
Matt Kriz	Mitch Mitchell	Sandra Shuda
John Ohanian	Dennis Dubard	
Jamie Latiano Jacobs	Tim West	

Members Absent

Marlene Taylor	Ed Hidalgo	Nick Macchione
Susie Harborth	Mark Starr	
Sunita Cooke	Carmencita Trapese	

All reports, memoranda and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by P. Blair, at 8:04 am, at SDWP with a quorum.

P. Blair introduced our new board members, Mr. Dennis Dubard and Mr. Timothy West. Both members described their background and interest in workforce development.

Non-Agenda Public Comment

None

Action Items

1-12/07/2017 - Item 1 Minutes of the October 19 Workforce Board Meeting
Workforce Development Board approve the October 19 Board minutes.

*Moved, Seconded, Motion carries 16-0
Abstained (T. West, T.Lemmon, M. Kriz)*

2-12/07/2017 - Item 2 San Diego Sheriff's Department Funding for Reentry Works Program
Workforce Development Board approve the funding award, not to exceed \$150,000, with service provider Second Chance to continue the Reentry Works program at East Mesa Reentry Facility (EMRF) through June 30, 2018.

This is a co-funded initiative by the San Diego County Sheriff's and SDWP to operate the specialized jail-based America's Job Center of California (AJCC) at EMRF.

Andrew Picard provided an update on the funding for reentry stating we were lucky enough to receive additional resources to continue operations of this program. Services will continue as is with the additional funding.

Peter Callstrom reminded the WDB that the original funding to establish the job centers in the jails was provided through a very competitive grant from the US Department of Labor as well as support from the Sheriff's Department. While the new funding from the Sheriff's department allows us to continue the program, SDWP needs additional resources to fully fund and sustain the work.

A. Picard updated the board about the establishment of re-entry workgroup to support expansion of these services in the future.

Moved(T. Lemmon), Seconded(A. Berg), Carried Unanimously

3-12/07/2017 - Item 3

SDWP Budget Modification

Workforce Development Board approve the FY18 December budget modification.

Andy Hall presented the proposed modified FY18 budget. The proposed budget modification reallocates funds that were not spent last year from some of our contractors and also accounts for new funds SDWP won or received over the last few months. Our annual budget is approximately \$33 million. We saw significant growth in our private funding through grants from the Walmart Foundation, JPMorgan Chase & Co., and GAP Foundation; we are proud that we topped \$2 million in private funds. Central Operations, also known as overhead, is at about 7%. Direct Program support decreased slightly.

A Hall stated that WIOA is our largest source of funding - about \$22 million - and that federal funding has been cut each and every year.

P. Callstrom added that SDWP has off-set the reductions in federal funding by tripling our fund sources.

Moved(E. Caldwell), Seconded (A. Taamilo), Carried Unanimously

4-12/07/2017 - Item 4

Results of the America's Job Center of California (AJCC) Network RFP and Approval to Enter into Contract Negotiations

Workforce Development Board approve the results of the Request for Proposals (RFP) for the Operation and Management of the America's Job Center of California (AJCC) Network and authorize SDWP to enter into contract negotiations with KRA Corporation, the winner of the RFP evaluation process

A. Picard reviewed the decision to shift to a single operator for our job centers and described the procurement process. Four organizations submitted proposals. Over one hundred people participated in our webinar informing the public of this process. The process involved the RFP release, respondents' orientation, evaluation of written proposals, and on-site interviews. The final score was a total of the average written score plus the average interview score. The evaluation panel recommended **KRA Corporation** as the winner of this evaluation process with a final score of 89. The next steps in the process are to begin contract negotiations and initiate planning for the transition to the new operator on July 01, 2018.

A discussion took place about the connections between the AJCCs and community colleges and ways these systems might leverage each other and other community resources to better serve job seekers.

A. Picard responded that partnership was the largest scored section in the AJCC RFP, so the respondents' plans for working closely with community partners, including continuing education, adult education, and community colleges, was a major consideration in the selection of the new single provider. These partnerships are required under the law and are an integral part of how we operate our job centers.

Carlos Cortez raised concerns about under-utilization of the free training at continuing education; better coordination could free up funding to serve more clients. He cited other opportunities to work together more closely, and cited the example of SDWP's TechHire program, which includes a strong partnership between SDWP and Continuing Education.

A Picard solicited Board members who would like to be included in a workgroup on the AJCC transition.

Moved(T. Lemmon), Seconded(A. Berg), Carried 18-1

Information Items

5-12/07/2017 - Item 5 **Contracts Performance Dashboard**

Staff shared the dashboard of contractors, programs, and performance year-to-date.

A few board members inquired about seeing the data about movement from red (out of compliance) to yellow (slightly below contract goals) and how the Board could help with the programs or contracts in the yellow (slightly below contract goals).

6-12/07/2017 - Item 6 **CEO & Staff Update**

P. Callstrom provided an update on the following:

- Serving as a panel member at the Vet Exchange Mid-Year Convening which discussed strategies to help vets transition into a highly competitive labor market.
- SDWP hosted a couple of sessions at the Live Well Conference last month and was later awarded by GAP Foundation with a new program of supported placements within GAP stores.

A. Hall provided an update on the following:

- TechHire event Rock Your Profile, which provided ways for TechHire participants to build their brand and get hired. TechHire has so far worked with 46 employer partners to complete 43 internship placements and 11 employment placements.

P. Blair provided an update on the following:

- The homelessness issue and where SDWP fits in; SDWP is exploring a relationship with Rapid Rehousing.

7-12/07/2017 – Item 7 **Chair Update**

Future meeting dates provided to WDB.

Adjournment

The meeting was adjourned at 9:25 am

Next meeting is February 15, 2018

Item #4: Lease Approval for North County Coastal Career Center

RECOMMENDATION

That the Workforce Development Board approve the lease under the costs and terms herein for the North County Coastal Career Center (NCCC) located at 1949 Avenida del Oro, Suite 106, Oceanside, CA 92056. The Policy Board approves SDWP to manage additional lease negotiations of other non-fiscal related terms, while not exceeding the cost and terms as described below.

BACKGROUND

SDWP currently oversees multiple facilities throughout San Diego County, including the administration of three property leases:

- 1) SDWP's offices at 3910 University Avenue, San Diego
- 2) South Metro Career Center at 4389 Imperial Avenue, San Diego
- 3) South County Career Center at 1111 Bay Boulevard, Suite E, Chula Vista

The State of California Employment Development Department (EDD) requires that all leases statewide be transitioned to the local Workforce Development Boards (WDBs), which requires SDWP to take on the lease for the NCCC from EDD, the current lease holder.

Terms for Master Lease

The term of the lease is eight years beginning March 1, 2018 and ending on February 28, 2026.

Termination Provisions

The early termination clause can be exercised after 3 years, with twelve months' notice of exit to the owner and under one of the following scenarios regarding funding for job center operations:

- The year-to-year revenue reduction is 5% or more, or
- The cumulative revenue reduction from the FY18 funding level is 10% or more.

Description of Property

The NCCC is approximately 25,000 square feet, of which SDWP will lease approximately 21,000 square feet. SDWP will sublease the entire square footage to the AJCC operator. The AJCC operator will use approximately 9,000 square feet of the space for their operations and sublease the remaining 12,000 square feet to partner agencies, including EDD and the Department of Rehabilitation. If a partner agency terminates its lease with the AJCC operator, the operator would still owe SDWP full rent, and also be responsible for finding a replacement tenant.

All non-space-use rent costs (janitorial, maintenance, security, utilities, etc.) will be the responsibility of the AJCC operator to pass on to subtenants as common area maintenance at the end of each year. Repairs will either be the responsibility of the operator or landlord depending on the cause and extent. Insurance and taxes will be paid by the landlord.

Overview of SDWP’s Comparative Market Analysis for other Properties

SDWP worked with three independent realtors to complete an analysis of facility costs and terms compared to other facilities in the region, taking into account other programmatic requirements.

While the realtors found locations with more affordable rent in cost per square footage, their analyses do not include the significant investment by the current owner into American’s with Disabilities Act (ADA) building improvements needed to operate SDWP’s federally-funded programs. The current property owner recently invested over \$100,000 in building improvements to meet ADA requirements, resulting in higher costs than the comparable facilities listed in the table below.

Another issue that contributes to the higher rent is its preferred location. The other facilities generally lack the same level of access to public transportation. Finally, we believe that the cost per square foot of \$2.08 is reasonable because the current master lease holder, EDD, is paying \$2.02 per square foot. A 3% increase in 2018 would bring it up to \$2.08.

SDWP negotiated a 3% annual increase in rent from an original proposed 4% by the owner. Each realtor indicated that 3% is a normal annual increase. In addition, the Board approved an annual increase of 3% in SDWP’s South County lease on August 25, 2017 and other leases currently held by SDWP. Because of this background, SDWP concluded that 3% was a appropriate annual increase.

Property Name	City	Sq. Ft.	Cost Per Sq. Ft.	% Annual Increase
Ocean Ranch Plaza	Oceanside	25,010	\$1.69	3%
Carlsbad Airport Center	Carlsbad	13,926	\$1.50	3%
Current Property	Oceanside	20,948	\$2.08	3%

Lease Costs Summary:

From	To	Monthly Rent	Annual Rent	% Annual Increase
3/1/2018	2/28/2019	44,075	528,904	NA
3/1/2019	2/28/2020	51,505	618,069	3%
3/1/2020	2/28/2021	53,566	642,792	3%
3/1/2021	2/28/2022	55,708	668,503	3%
3/1/2022	2/28/2023	57,937	695,244	3%
3/1/2023	2/28/2024	60,254	723,053	3%
3/1/2024	2/28/2025	62,664	751,976	3%
3/1/2025	2/28/2026	65,171	782,055	3%

Item #5: Board Membership – Dr. Sammy Totah

RECOMMENDATION

That the WDB approve the below nomination of the Executive Committee for Dr. Sammy Totah to join the board, pending Policy Board confirmation.

Dr. Sammy Totah

Chief Operating Officer

Kaiser Permanente

San Diego and Zion Medical Centers

Bio

Dr. Totah has been with Kaiser Permanente for over 25 years. In 2013, Dr. Totah was hired as the Chief Operating Officer for the San Diego Medical Center to oversee operations for two hospitals in San Diego. Most recently, Dr. Totah oversaw the planning, staffing and opening of Kaiser Permanente's new San Diego Medical Center in Kearny Mesa. For the majority of his career, he served in multiple management and leadership roles in Pharmacy across the Kaiser Permanente Southern California Region including various Pharmacy Manager roles at both the Los Angeles and San Diego Medical Center Areas, as a Pharmacy Services Manager in both San Diego and Regional Pharmacy Operations, and as a Consultant Pharmacist for the Pharmacy Performance Improvement Program. Prior to 2013, Dr. Totah served as the Area Pharmacy Leader overseeing all aspects of Kaiser Permanente's pharmacy services in the San Diego market which currently serves over 600,000 members, or 1 in 5 San Diegans.

Sammy received his B.S. degree in Biology from Loyola Marymount University, and graduated with a Doctor of Pharmacy degree from the University of California, San Francisco. (He was one of the original UCSF students to come through UCSD for his 4th year experiential pharmacy training). He completed a Pharmacy Residency Program at Kaiser Permanente – Los Angeles, and completed the Executive Leadership Program at the Harvard Business School in 2015.

Item #6: Raj Chetty and Opportunity Youth Summit Events

INFORMATION ITEM: NO ACTION REQUIRED

Communications and CLIMB director Laura Kohn will share information about two can't-miss upcoming SDWP events:

February 27th: lecture by Professor Raj Chetty

Pre-eminent economist regarding income mobility and opportunity in San Diego and the nation. Event is presented in partnership with National University.

April 12th: Opportunity Youth Summit: Initiate.

This is SDWP's second annual conference on opportunity youth after last year's inaugural event, Flip the Script. We are adding breakout sessions this year, and hoping to increase attendance by 50%.

Item #7: Program Performance Dashboard

INFORMATION ITEM – NO ACTION REQUIRED

The following executive snapshot provides a high-level overview of portfolio of programs, funding streams, contractors and performance year to date. “Performance” is an indicator of whether the sub recipient and/or program is meeting target outcomes as well as compliance with other contractual obligations.

Performance Key:

Green	Yellow	Red
In compliance and on track to meet all metrics.	Minor corrective action or slightly below performance standards.	Out of compliance, unable to meet contractual goals and significant corrective action required.

Programs provided by contracted sub recipients/vendors:			
Adult Programs			
Contractor	Program Name	Funding Stream	Contract Total
ResCare (South)	Adult/Dislocated Workers	WIOA	\$1,149,448
	Expanded Subsidized Employment (ESE)	County of San Diego	\$172,699
	Breaking Barriers San Diego	DOL- Workforce Innovation Fund (WIF)	\$212,256
ResCare (North)	Adult/Dislocated Workers	WIOA	\$1262,922
	Expanded Subsidized Employment (ESE)	County of San Diego	\$85,572
	Breaking Barriers San Diego	DOL –WIF	\$200,127
KRA (Metro)	Adult/ Dislocated Workers	WIOA	\$2,629,684
	Breaking Barriers San Diego	DOL – WIF	\$449,780
	Expanded Subsidized Employment (ESE)	County of San Diego	\$222,847
	Disability Development Initiative (DEI)	Employment Development Department (EDD)	\$425,243
Grossmont Unified (East)	Adult/ Dislocated Workers	WIOA	\$958,146
	Expanded Subsidized Employment (ESE)	County of San Diego	\$177,367
	Breaking Barriers San Diego	DOL –WIF	\$148,579
	English Language Learner Grant (ELL)	EDD	\$88,141

Second Chance	Reentry Works 1	DOL	\$403,862
	Reentry Works 2	DOL	\$387,481
	Reentry Works Bridge	San Diego Sheriff's	\$130,000
International Rescue Committee	English Language Learner Grant (ELL)	EDD	\$168,677
Corporation for Supportive Housing	Supported Employment Technical Consultant	County of San Diego	\$61,000
CalFresh Employment and Training		County of San Diego	\$500,000
The WorkPlace, KRA, and Imperial County Workforce Development Board (ICWDB)	Sector Partnership National Emergency Grant (SP NEG)	EDD	\$1,000,000
Youth			
Contractor	Program Name	Funding Stream	Contract Total
Able Disabled Advocacy	(Metro) Out of School Youth (OSY)	WIOA	\$489,600
Access, Inc.	(Metro) OSY	WIOA	\$441,600
	(East) OSY		\$440,736
	(North) OSY		\$441,600
	(South) OSY		\$713,318
	(County-Wide) Foster Youth SPA		\$517,165
Interfaith Community Services	(North) OSY	WIOA	\$437,972
International Rescue Committee	(East) OSY	WIOA	\$228,000
San Diego Continuing Education	(Metro) OSY	WIOA	\$420,096
Second Chance	(Metro) OSY	WIOA	\$432,000
South Bay Community Services	(County-Wide) Foster Youth ILS	WIOA	\$528,000
YMCA	(North) OSY	WIOA	\$413,317

Programs provided by SDWP directly:			
Youth:			
Program Name	Funding Focus	Funding Source	Contract Total
CONNECT2Careers	General Operations	City of San Diego General Fund	\$450,000
	General Operations	James Irvine Foundation	\$500,000
	Bank of America Military Family Internships	Bank of America	\$50,000
	Opportunity Youth Internships	City of San Diego - CDBG	\$350,000
	City of San Diego Mentorships	City of San Diego - CDBG	\$25,000
	Gap Inc. This Way Ahead	Gap Foundation	\$67,300
	Listen for Good	Fund for Shared Insight	\$45,000
	School Break Externships	County of San Diego - HHS/CAP	\$100,000
	C2C On Campus at Vista Unified	Vista Unified School District	\$88,000
CONNECT2Careers STEAM	Amgen Biotech Experience	Amgen Foundation	\$75,000
	Life Sciences Summer Institute	San Diego Foundation	\$75,000
	Education 2 Employment	San Diego Foundation	\$75,000
TechHire San Diego	Placement of low-income individuals in tech careers	City of San Diego – CDBG, JP Morgan Chase	\$800,000
Business Services			
Program Name	Funding Stream	Service Delivery Method	Contract Total
Retail Works	Chicago Cook WDB	SDWP Direct Service	\$400,000
	Walmart Foundation		\$450,000
	Aspen Foundation		\$150,000
Adv. Manufacturing Training Fund	California EDD	SDWP Direct Service	\$1,000,000
HealthCare Training Fund	California EDD	In Development	\$600,000
Rapid Response	WIOA	SDWP Direct Service	\$49,996
Layoff Aversion	WIOA	CMTC	\$220,000

Item #8: Transition of the America's Job Center of California (AJCC) Network

INFORMATION ITEM – NO ACTION REQUIRED

Maxine Suka, Project Director for KRA Corporation, and Andrew Picard, Vice President of Operations for SDWP, will provide a presentation regarding the transition to a single provider for the region's career centers.

BACKGROUND

On December 07, 2017 the WDB approved the procurement recommendation from SDWP's independent panel of evaluators to award KRA Corporation the successful respondent to the RFP for the Operations and Management of the AJCC Network. KRA will begin to operate the AJCCs throughout San Diego County at the beginning of the next program year, effective July 1st, 2018. KRA Corporation and SDWP will share details and engage board members on planning for a successful transition, including topics such as: innovations in technology, staffing transition, locations and access points and business services strategy.

Item #9: Closed Session

Per Government Code Section 54956.8, the WDB will adjourn for conference with real property negotiator to discuss current term of lease:

Property: 3910 University Avenue

Authority: Government Code Section 54956.8

Negotiator: Andy Hall, COO, San Diego Workforce Partnership

Negotiating Party: Craig Underwood, Principal, & Red Hook Capital Partners LLC

Under Negotiation: Review and terms of existing lease