

Workforce Development Board (WDB)

Date Thursday, April 19, 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

Phil Blair – Chair

- Call the meeting to order
- Non-agenda public comment
- Introductions and greetings

ACTION ITEMS

- Item #1: Board Membership – Dr. Sammy Totah
- Item #2: Minutes of the December 7 Workforce Development Board Meeting
- Item #3: Minutes of the February 15 Workforce Development Board Meeting
- Item #4: Lease Approval for North County Coastal Career Center

INFORMATION ITEMS

- Item #5: CEO and Staff Update
- Item #6: Rethinking SDWP's AJCC Footprint and Program Service Delivery

ADJOURNMENT

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: Board Membership – Dr. Sammy Totah

WDB approve the nomination of the executive committee for Dr. Sammy Totah to join the board, pending Policy Board confirmation.

Item #2: Minutes of the December 7, 2018 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 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

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 #3: Minutes of the February 15, 2018 WDB Meeting

Members Present

Phil Blair	Ky Lewis
Omar Passons	Tim West
Carmencita Trapse	Mitch Mitchell
Andy Berg	Bill York (non voting rep)
Barbara Jaminiez (non voting rep)	Mike Zucchet
Jamie Latiano Jacobs	Dennis Dubard

Members Absent

Marlene Taylor	Ed Hidalgo	Nick Macchione
Carlos Turner Cortez	Mark Starr	Althea Salas
Sunita Cooke	Annie Taamilo	Mark Starr
Erik Caldwell	Matt Kriz	Sandra Shuda
Mary Burton	Tom Lemmon	Shandon Harbour

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 Phil Blair, at 8:07 am, at SDWP without a quorum.

P. Blair introduced our newest board member, Mr. Mike Zucchet and potential board candidate, Dr. Sammy Totah.

Non-Agenda Public Comment

None

Reports & Updates

1-02/15/2018- *Item 1*

Chair Report

Workforce Development Chair to provide updates on the WDB activities.

Phil Blair spoke about San Diego Workforce Partnership being awarded the WIOA Trailblazer award. This award will be presented to SDWP at the National Association for Workforce Boards (NAWB) annual conference held in Washington, D.C in March.

2-02/15/2018- *Item 2*

CEO and Staff Report

SDWP's CEO will provide an overview if organizational milestones over the last two months.

Peter Callstrom thanked P. Blair for highlighting all the work we are doing with Opportunity Youth and Reentry works at the San Diego County Economic Roundtable on January 18th at University of San Diego.

Milestones Include:

- SDWP’s national recognition from the NAWB
- P. Callstrom Invited to the Headquarters of Walmart in Arkansas to discuss the workforce trends in America.
- SDWP’s Opportunity Youth conference is approaching in April with approximately 700-800 attendees.
- Upcoming ASU GSV summit, which is focused on education technology, is being held April 16-18.
- Councilmember Bry attended the board meeting to acknowledge the Connect2Careers (C2C) progress over the last five years. Councilmember Bry requested an additional \$250k of city funding for C2C. On behalf of City Council and the Major proclaimed February 15th Connect2Careers Day in the city of San Diego.

Action Items

3-02/15/2018 - Item 3 **Minutes of the December 07 Workforce Board Meeting**

Approve the December 07 Board minutes.

4-02/15/2018 - Item 4 **Lease Approval for North County Coastal Career Center**

WDB 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.

5-02/15/2018 - Item 5 **Board Membership – Dr. Sammy Totah**

WDB approve the nomination of the executive committee for Dr. Sammy Totah to join the board, pending Policy Board confirmation.

Note: Quorum was not met at this meeting. Therefore, action items 3-5 were pulled from the agenda and will be added to next WDB meeting scheduled for April 19, 2018.

Information Items

6-02/15/2018 - Item 6 **Event Update – Stanford Economist Raj Chetty and Opportunity Youth Summit**

Communications and CLIMB Director, Laura Kohn, will share information about two can't-miss upcoming SDWP events.

Laura Kohn spoke briefly on the upcoming Raj Chetty and Opportunity Summit events.

7-02/15/2018 - Item 7

Program Performance Dashboard

A high-level overview of portfolio of programs, funding streams, contractors and performance year to date.

Andy Hall updated the board on how our sub recipients and/or programs are doing and explained the definition for each performance key.

A. Hall also spoke briefly about Brooke Valle, Vice President of Strategy, leading the change to adjust our Second Change contract to a Paper Performance Contract. This change will be transformative to our system.

8-02/15/2018 – Item 8

Transition of the America's Job Center of California (AJCC) Network

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.

Andrew Picard provided a brief update on how the Youth and Young Adult Committee and Adult Committee have been transitioned to working groups as opposed to standing committees. Working groups can be formed on any topic and we encourage all members to participate.

A. Picard also provided a follow-up to board members regarding the AJCC network; every four years we have to procure our contractors. Our biggest contract is our job center network, which is a network of job centers across the county funded primarily through the Department of Labor. SDWP has procured KRA Corporation as the operator of the job centers and are currently in the midst of a large transition.

Maxine Suka, Project Director for KRA Corporation, updated the board members of the move forward plan. One major focus of the transition is innovative technology, which involves revamping and reengineering the AJCCC system leveraging technology to increase access points. KRA also plans to place a great deal of focus on

business services, which will require KRA to meet businesses where they're at and be able to engage them in a variety of different services as opposed to KRA staying in their own silo.

P. Blair shifted the meeting to closed session for 20 minutes.

9-02/15/2018- Item 9 CLOSED SESSION

Adjournment

The meeting was adjourned at 9:29 am.

Next meeting is April 19, 2018

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

Recommendation

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 July 1, 2018 and ending on June 30, 2026.

Termination Provisions

SDWP may terminate this lease at any time and for any reason, without cost, effective on or after May 1, 2021, by giving written notice to the Lessor at least 60 days prior to the date when such termination shall become effective. Additionally, SDWP, may terminate this lease without cost, effective on or after July 1, 2019, under the following circumstances:

- SDWP's fiscal year-to-fiscal year revenue reduction is five percent (5%) or more, or,
- the cumulative revenue reduction from the fiscal-year 18 funding level is ten percent (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 be responsible for finding a replacement tenant.

The following non-space use rent costs (janitorial, maintenance, security, utilities, etc.) will be the responsibility of the AJCC operator to pass on to subtenants as CAM 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. SDWP is responsible for phone and internet service.

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, accounting for the 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 lacked 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 a 3% was a competitive 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	Cost/SF	% Annual Increase
7/1/2018	6/30/2019	\$43,571	\$2.08	NA
7/1/2019	6/30/2020	\$45,038	\$2.15	3%
7/1/2020	6/30/2021	\$46,295	\$2.21	3%
7/1/2021	6/30/2022	\$47,761	\$2.28	3%
7/1/2022	6/30/2023	\$49,227	\$2.35	3%

7/1/2023	6/30/2024	\$50,694	\$2.42	3%
7/1/2024	6/30/2025	\$52,160	\$2.49	3%
7/1/2025	6/30/2026	\$53,626	\$2.56	3%

Item #5: CEO and Staff Update

Peter Callstrom, CEO and Staff will provide updates on the results of the *Opportunity Summit* and status of SDWP's programs.

Item #6: Rethinking SDWP's AJCC Footprint and Program Service Delivery

Andy Hall, COO and Andrew Picard, VP of Operations will present SDWP's vision for SDWP's service delivery system, including the America's Job Centers of California (AJCC) locations, and shifting infrastructure investments to online and technology driven services.